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ALFONSIN TO ATTEND GROUP OF SIX MEETING IN MEXICO

PY180325 Buenos Aires DYN in Spanish 2309 GMT 16 Jul 86

[Excerpts] Buenos Aires, 16 Jul (DYN) -- The Foreign Ministry today announced that President Raul Alfonsin will attend on 6 and 7 August a meeting of the "Group of Six" that will be held in Ixtapa, Mexico. Alfonsin will be accompanied by a delegation that will include Foreign Ministry Secretary for International Relations Jorge Sabato, who is President Alfonsin's personal representative before this peace-seeking organization.

Mexican President Miguel de la Madrid, former President of Tanzania Julius Nyerere, and Indian, Greek, and Swedish Prime Ministers Rajiv Gandhi, Andreas Papandreou, and Ingvar Carlsson will also attend this meeting. [passage omitted]

The lack of concrete progress in the negotiations between the United States and the Soviet Union and the worsening of international tension has prompted this meeting of the Group of Six which will take place in Mexico at the invitation of President Miguel de la Madrid. [passage omitted]

ARMY CHIEF, DELEGATION DEPART FOR PRC

PY190319 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0135 GMT 19 Jul 86

[Text] Buenos Aires, 18 Jul (NA) -- General Hector Rios Erenu, Army Joint Staff Chief, and a mission from the military industries left tonight for the PRC to reciprocate a visit to Argentina last year by a delegation from the PRC military weapons factory, Norinco.

The military industries delegation is headed by General Paul Ricardo Mattiuzzi, a member of enterprise's Board of Directors. The delegation is made up of other members of the Board of Directors. Late last year, a mission from Norinco visited Argentina for nearly a month. It was then stated that the PRC delegation became interested in the purchase of armor-grade steel sheets and of the computerized system of the TAM [Argentine Medium Tank] turret.

General Rios Erenu and the Military Industries delegation left tonight at 2200 on a Pan-am flight to the United States where they will make a connection for Beijing.

DEPUTY SEEKS MEETING OF CONTADORA SUPPORT GROUP

PY182209 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1216 GMT 17 Jul 86

[Text] Buenos Aires, 17 Jul (NA) -- Deputy Eduardo Vaca, of the Peronist Renewal Faction, has urged the Argentine Foreign Ministry to summon an "urgent meeting" of the Contadora Support Group with the purpose of finding "a peaceful solution" to the Central American conflict and of "ratifying the need for the Latin American people to play a leading role" in this endeavor. In a press communique distributed at the Chamber of Deputies, the Buenos Aires legislator stated that "the decision (of the U.S. Government) to place the CIA in charge of military operations carried out by the anti-Sandinists, clearly reveals the impunity with which (President Ronald) Reagan intends to handle his country's foreign relations.

Vaca requested that the Contadora Support Group, to which Argentina, Brazil, Peru, and Uruguay belong, try once again to engage in dialogue with the United States and Nicaragua "as an indispensable element to solve the crisis." He then asserted that "these developments prove the need to issue a death certificate for the OAS, which died long ago, and to start taking steps to establish a new organization to encompass all Latin American countries.

SIDE REPORTS ON ALLEGED SALE OF SECRET CODES

PY181304 Buenos Aires TELAM in Spanish 1028 GMT 17 Jul 86

[Text] Buenos Aires, 17 Jul (TELAM) -- The Secretariat for State Intelligence (SIDE) has reported that it is conducting a thorough investigation into the alleged sale of its secret codes and the reported role of agent Pablo Valle in the sale. The SIDE last night released a communique signed by Director Leandro Monterrey that states SIDE President Facundo Suarez has been informed by Argentine Ambassador to Switzerland Leopoldo Tettamanti about the precautions taken regarding this possible sale. The communique states that the illegal transaction might have been committed by former SIDE representative in Geneva, Pablo valle, before Dr Facundo Suarez became head of the SIDE. The text does not say when the transaction might have taken place, or who was SIDE president at the time.

It adds that Ambassador Tettamanti has informed the SIDE president that the security measures required in such cases were in force at the time. In conclusions, it says that, in addition to these security measures, the most complete administrative investigation has been ordered.

Ambassador Comments on Suspect

PY181408 Buenos Aires Domestic Service in Spanish 1600 GMT 17 Jul 86

[Text] It has been denied that Pablo Valle, accused of selling secret Secretariat for State Intelligence [SIDE] codes, worked at the Argentine Embassy in Switzerland. Argentine Ambassador to Switzerland Enrique Quintana has stated that Valle was never part of his staff in Switzerland, but that he was accredited to the international organizations headquartered in Geneva, which is under the jurisdiction of Ambassador Leopoldo Tettamanti.

He was not an employee of this embasssy, the only thing I know is that he was accredited as an adviser in Geneva, and that he has been transferred back to the country, Quintana stated. He added that he is unaware who could have been the SIDE representative in Geneva who could have sold the secret SIDE codes, or if that person is back in Argentina or somewhere else. He said that this matter concerns the Foreign Ministry.

Argentine Ambassador to the International Organizations Headquartered in Geneva Leopoldo Tettamanti has stated that the secret codes of the Argentine Government are absolutely safe and secure. Tettamanti has minimized the possibility that they could have been sold to Geat Britain, for instance. He added that Pablo Valle did not have access to those documents, which were in the hands of a special committee working in Geneva. He said that the members of that committee are specialized personnel totally devoted to the nation, and we can rest assured that these documents are totally safe.

PRESIDENT OPENS LATIN AMERICAN PARLIAMENT

PY181855 Madrid EFE in Spanish 0252 GMT 18 Jul 86

[Text] Santa Cruz, 17 Jul (EFE) -- Bolivian President Victor Paz Estenssoro today said that Latin America is running the risk that drug trafficking may become an economic power and later project itself into the political field. This statement was made during the inauguration of the Latin American Parliament in the presence of delegates from all the democratic countries of the area.

The meeting will continue until next Sunday, when the Parliament will issue a document on the drug trafficking problem and its bearing on the legal and clandestine economies, the integration process, and the foreign debt.

PAZ said: "A matter of extreme gravity facing Latin America is the growing traffic in and consumption of narcotics." The president added that Bolivia shares with other countries the responsibility for the production of coca leaves, which adds greater complexity to the problem.

The president emphasized that the restriction on planting, the incentives for alternative crops, and the prohibition of the traffic with the application of stiff penalties must be considered, even when these actions demand large economic resources to become effective, "because a considerable amount of money is at stake."

But to achieve this effect determined international cooperation is necessary, because the damage caused by drug trafficking is also international, said the president. Regarding the foreign debt, Paz Estenssoro said he supports joint negotiations, thus "presenting the problem not only within its strict economic limits, but as a general political problem."

The president also spoke about the magnitude of the clandestine economy and its related activities, which "have distorted the economic process to the detriment of the collection of funds for the treasury." In conclusion, the president expressed his belief that it is time for Latin American leaders to review their integration plans and update them to make them more realistic.

MINISTER DEFENDS GOVERNMENT ANTIDRUG CAMPAIGN

PY182253 LA Paz La Red Panamericana in Spanish 1700 GMT 18 Jul 86

[Text] The government has voiced concern over the conflicts in Oruro and Potosi departments.

Information Minister Herman Antelo has stated that in order to try to overcome these conflicts, the president of the Republic will receive Potosi representatives on 21 July, and he is also willing to meet with Oruro authorities.

Minister Antelo stated that the government is determined to struggle against drug trafficking, and that a great deployment of aircraft and troops is being carried out in Trinidad. He added that the struggle against drug trafficking is important. This is what the information minister said:

[Begin Antelo recording] First, we must agree whether or not we want to struggle against drug trafficking. This is the main issue. People sometimes criticize the government for not doing enough to combat drug trafficking, but when an operation is carried out to seriously confront this scourge they protest. Therefore, it is important that we agree in this regard.

If we are combating the problem, as we wish to do through this operation, there will naturally be a deployment of troops and aircraft and it will not be pleasant for the many towns that will have to witness and endure this. Things are being done, however, in the most reasonable way, in the most peaceful way, so as not to cause damage, problems, or unrest among civilians. Therefore, they should rest assured that we are not going to act outside the law. Quite the contrary, we are going to act within the law. I repeat that the entire operation will be carried out in the most objective and peaceful manner in order to avoid any abuses or injustices. [end recording]

Later, the information minister said that the government has no problem answering Congress' inquiries and that its decision to receive U.S. Army officials is in keeping with the law.

[Begin recording] I Well, the government has the duty of answering any question posed by the legislative branch, and it will do so. We believe, however, that the initial statements were really prompted by lack of information rather than by any attempt to do anything definite. Yesterday the government issued a detailed report on the legal grounds on which it accepted U.S. support, and we believe that once this is understood, all distortions on the initial information will be clarified. Moreover, I have already heard some congressmen, including the chief of the ADN [Nationalist Democratic Action], making statements supporting the operations against drug trafficking.

I believe that spreading distorted information, such as emphasizing the presence of the U.S. Armed Forces, only conceals the main objective, which is to struggle against drug trafficking, which is in Bolivia and the international community's interest. Therefore, we do not fear being summoned by Congress to provide information. It is Congress' duty to do this and it is the government's duty to grant all this information, but we are not afraid because the Bolivian Government's decision is soundly based on law. [end recording]

Further Antelo Remarks

PY190226 La Paz La Red Panamericana in Spanish 0000 GMT 19 Jul 86

[Excerpt] The Bolivian-U.S. operation in the Beni region was the topic of a press conference by Information Minister Herman Antelo. Foreign reporters went to Government House to listen to the minister's e planation of the news which stirred great excitement even in the United States, where several major newspapers asked the Reagan administration for an explanation on the matter.

Minister Antelo first explained that the Mobile Units for the Rural Areas [Umopar] seized chemical products from a clandestine cocaine factory, arrested an individual, and confiscated an airplane on its first operation.

[Begin Antelo recording] I would like to explain that antidrug trafficking operations started in the Beni region today. Our first report informs us that the Umopar forces have found a cocaine laboratory and arrested a person who was trying to dismantle the labortory. A small airplane and chemical products for drug processing were also confiscated. It is believed that the laboratory had the capacity to process 1 or 1 and 1/2 metric tons of cocaine weekly. The Umopar forces carried out the operation, and U.S. helicopters merely transported the men and then withdrew. [end recording]

Minister Antelo stated that U.S. troops do not participate in the antidrug-trafficking operations, as was reported by some media. He said the operations carried out in the Beni region are strictl police and not military operations. He did not deny that the United States is cooperating with the special Bolivian antidrug-trafficking forces by providing necessary logistical support.

[Begin recording] We want to be clear about this, and we spoke about this in an official communique yesterday. There are no American troops here. We are getting U.S. aid in transportation and communication, and the Americans who are in the region are providing only logistical support for the operations. They have not, are not, and will not participate in any direct repressive operation. Therefore, we want to specify that this is entirely a police operation. I will not never tire of saying that the Americans are here just to give us logistical and technical help. They are transporting the Umopar forces and helping with the communications systems. This is not a military operation but a police operation. [end recording] [passage omitted]

MAJOR DRUG TRAFFICKERS ESCAPE SWEEP

PY190353 La Paz La Red Panamericana in Spanish 0000 GMT 19 Jul 86

[Text] Despite the secrecy with which the most spectacular antidrug-trafficking operation ever was carried out in Latin America, the principal cocaine traffickers have, for the time being, escaped. Specialized U.S. and Bolivian antidrug forces today found that the ranches of the main Bolivian drug traffickers were deserted. These ranches are located in Yacuma and Magdalena Provinces in Beni Departement, northwest of La Paz.

An unidentified official source told EFE in Trinidad that American Black Hawk combat helicopters equipped with infrared vision overflew the Yacuba and Magdalena regions, considered stronghold of the most important drug traffickers. The source, who specifically requested that his name not be revealed, said that the Santa Ana region is being patrolled because it has more thatn 600 clandestine landing strips. Unofficial sources report that there are 633 landing strips, while the Trinidad Aeronautics Directorate has only 200 of them registered.

The Santa Ana region is deserted, the main ranches of the drug traffickers are empty, the source said. The ranch of Roberto Suarez, the well-known cocaine kingpin, which is located 5 minutes from the Santa Ana de Yacuba Province capital, was abandoned, according to the same source. It is thought that the drug traffickers fled to Panama a month ago. However, the region is still being patrolled by the Mobile Units of the Rural Areas [Umopar] forces by land, and by U.S. helicopters.

The cocaine kingpin is no longer the king. He is just number 28 on a 50-name list of Bolivian and foreign drug traffickers who operate in Bolivia. Jorge Roca, known as Straw Roof, is also on the list, and he had been sought for months, as have the many Chavezes, Lopezes, and others, the source stated. The antidrug-trafficking operation began on 16 July in the Beni region, just 2 days after U.S. logistical support arrived in Bolivia. This American aid consists of 6 Black Hawk helicopters and 160 U.S. Army officers, experts on communications and mechanics. Bolivian authorities reported this after the supposedly secret operations were found out by the public as well as by the Bolivian Congress.

The government source denied that the land where the drugs are being cultivated has been declared a military zone. It said that all activities are being carried out normally, although some restrictions were imposed on some of the hangars at Trinidad airport, as can be expected. The source also denied that United States had sent weapons, the people simply saw boxes with transmission equipment, which are the most modern in the world. It seems that with this operation, the government is trying to control drug trafficking in this region which has extensive borders and hundreds of clandestine air strips. The source said, we want to surround the drug traffickers, but it will be very difficult because we are confronting well-trained people, mercenaries of several nationalities. There are many Colombians, Lebanese, and Brazilians with modern weaponry.

The Brazilian Federal Police force yesterday ordered its agents and garrisons to remain on general alert along the Bolivian border to prevent drug traffickers from escaping into Brazil. The Peruvian Embassy today also expressed concern over this possibility.

Antelo on First Results

PY192234 La Paz La Red Panamericana in Spanish 1700 GMT 19 Jul 86

[Text] Information Minister Herman Antelo gave a press conference at noon today in his office for Bolivian and foreign reporters. He explained the operation carried out by the militarized police force known as the Leopards against drug traffickers in the El Beni Department. He said that on Friday, 18 July, the Leopards seized a farm (El Farro) and a small airplane. The copilot was arrested, but the pilot escaped into the woods. The minister stated: [Begin recording] To sum up the operation carried out yesterday, I can tell you the following: The farm that was seized is called (El Farro). It is located in the province of Yacuma. It has two aristrips, one of which is long enough to accommodate large airplanes, so reporters will be able to go there later. The landing strip can be used by other planes.

The airplane apparently was seized because it landed after the arrival of the troops. The occupants did not realize that the troops were already there. When the plane stopped, the Leopards shouted to the pilot to surrender, but both the pilot and the copilot started running. The piliot escaped into the woods, but the copilot was captured. He is a young boy, approximately 17 years of age, known as Luis Fernandez. He was reportedly born in Santa Ana. According to the detainee, the pilot's surname is Ortega, alias Gaucho, also from Santa Ana.

The laboratory is believed to be the largest discovered so far, comparable only to two others discovered last June in Marban Province, EI Beni Department. The information I have just given you has been confirmed, although the information on the infrastructure at (El Farro) farm varies. The infrastructure consists of large camouflaged tents in the woods. Seven tents with wooden floors have been discovered in the woods. It is estimated that they housed at least 75 workers. The material discovered included 300 kg of permanganate, 100 kg of hydrochloric acid, 2 barrels of ether, 3 kegs of acetone, and enough food to feed 75 persons for several days.

According to reports from peasants living near the area, there was a great deal of airplane traffic on 13 July. It is believed, therefore, that the dismantling of the farm began then. The peasants said they were prevented from going to the farm by armed guards. Information available on the infrastructure is not precise. We have also received information of a different nature. But you will be able to check on all this as soon as we are able to take you to the area.

To elaborate, four helicopters were deployed today to two different objectives, in Itenez Province. They have already returned to base with negative results, perhaps because the available information was not checked out thoroughly. No drug-processing activity was observed in these areas. More reconnaissance flights will take place this afternoon to check on areas for future operations. [end recording]

'Thousands' Flee Operations

PY202250 Paris AFP in Spanish 1537 GMT 20 Jul 86

[Text] La Paz, 20 Jul (AFP) -- Thousands of people from Chapare (central area of the country), where coca cultivation is concentrated, are leaving the region, fearing the repressive actions of the Bolivian police with the support of U.S. troops, who arrived on 15 July. This event, which has been widely publicized by the Cochabamba press, may worsen the country's social problems because it will affect not only the drug traffickers and coca growers, but also hundreds of merchants who sell kerosene, sulphuric acid, and toilet paper, which are used to make cocaine.

Radio Panamericana in La Paz has reported that the six Black Hawk helicopters, which were brought by a U.S. Galaxy airplane, have already conducted successful operations in Yapacani (north of Santa Cruz), but there was no official information about this operation. According to the radio report, some important drug traffickers have already been arrested.

PROTESTS CONTINUE OVER ARRIVAL OF U.S. TROOPS

COB Objects to U.S. Presence

PY181902 La Paz La Red Panamericana in Spanish 1700 GMT 18 Jul 86

[Text] The Bolivian Labor Confederation [COB] has protested the government's decision to allow U.S. troops into the country to fight drug trafficking.

The COB has stated that this is the beginning of interference in an issue that only concerns the nation. the COB criticized the government for allowing this interference, which violates the law, and for putting the country at the service of foreign ideologies that are against our principles. The COB also promised to release a document in the next few hours.

COB Defense Secretary Jose Maria Palacios said:

[Begin recording] The Bolivian people have condemned this action because it violates national sovereignty. This is the second imperialist interference in our country. The various working sectors and classes of the country condemn this action. This is without any doubt a shameless intervention to preserve the current regime, which represents the interests of the businessmen, the oligarchy, and the imperialists in the country. The COB has already prepared a public document and we reiterate those concepts now. [end recording]

Paz Impeachment Sought

PY200200 Paris AFP in Spanish 1745 GMT 19 Jul 86

[By Andres Soliz Rada]

[Excerpts] La Paz, 19 Jul (AFP) -- Parties and individuals have asked for the impeachment in Congress of President Victor Paz Estenssoro for having permitted U.S. troops to enter Bolivia without authorization by the legislature.

The first impeachment request was made by Luis Sandoval Moron, head of the ruling Nationalist Revolutionary Movement (MNR) in Santa Cruz, who said that the president has flagrantly violated the Constitution.

At the same time, dozens of congressmen and political and labor leaders agreed that the government had permitted a serious violation of national sovereignty, which should be examined by the Congress when it returns from recess on 6 August.

Interior Minister Fernando Barthelemy and Information Minister Hernan Antelo have countered the criticism by denying the arrival of U.S. troops, saying that only support personnel and communications experts arrived in the Galaxy and Hercules planes that landed on 15 July, loaded with eight Black Hawk helicopters, as well as armed soldiers to guard the planes and equipment. [passage omitted]

Meanwhile, it is being said by the opposition that one of the objectives of the Reagan administration is to establish a military base in Bolivia, capable of acting quickly and effectively against drug trafficking in any other South American country.

The opposition has also warned that the presence in the country of Drug Enforcement Administration (DEA) agents, and possibly CIA agents, could be used against the political parties and labor organizations opposing Paz Estenssoro.

Government officials have announced that the U.S. soldiers will stay in the country for an unspecified time, which also goes against the Constitution, which states that Congress must fix the exact length of time for the presence of foreign troops in the territory of the nation, if it authorizes their entry.

No reactions have yet been heard from the military commands, which might feel annoyed by the comment by the Bolivian Embassy in Washington that the U.S. troops had come to stop drug trafficking from corrupting the Bolivian officers. Such comments could cast doubt on the morality of the Armed Forces.

These concerns were addressed by the information minister when he said that the discussion should center on the need to fight drug trafficking, which he called a sore that could undermine the very basis of the Bolivian society. This opinion was supported by Bolivian Ambassador to the United States Fernando Illanes, who was warned that Bolivia is in danger of having the drug traffickers take over the government of the nation.

ANGOLA WANTS TO PURCHASE EMBRAER PLANES

PY181818 Rio de Janeiro O GLOBO in Portuguese 17 Jul 86 p 17

[Text] Brasilia -- Angola is interested in purchasing Embraer [Brazilian Aeronautics Company] planes for military and civilian transport lines. Officials from Embraer and Luanda have already begun talks, and now they need only to establish the financial conditions and the configuration of each plane.

This report was released yesterday by Aeronautics Minister Octavio Julio Moreira Lima following a meeting with President Jose Sarney. Angola intends to purchase Brasilia and Bandeirante aircraft for short-distance lines that are of interest for the country's social development.

The minister stated: "Angola, like most other countries, has also expressed interest in Tucano planes, but unfortunately it found that the prices were too high."

Moreira Lima went to the Planalto Palace to explain to President Sarney all the details of the Aeronautics Cooperation Agreement between Brazil and Argentina.

"It was part of the preparation for the visit that President Sarney will pay to Buenos Aires at the end of the month," he explained.

The agreement with Argentina foresees the design, development, and sale of a new aircraft, the EMB-123 Parana. According to the Aeronautics minister, "The agreement is well coordinated in in its preliminary stage."

Vehicle Purchase Contract Signed

PY181914 Sao Paulo FOLHA DE SAO PAULO in Portuguese 17 Jul 86 p 8

[Text] Angolan Foreign Trade Minister Ismael Gaspar Martins yesterday said in Sao Paulo that the $150-million (about 2 million cruzados) [figures as published] contract which was signed last month by his country and the Brazilian armament enterprise Engesa S.A., provides for the manufacture of armored vehicles, including not only the purchase of military trucks by the Angolan Government, but also the installation of a plant for repairing about 30 percent of the country's heavy trucks, particularly those meant for military use, which are standing idle for lack of repair and spare parts. According to information obtained by FOLHA's correspondent in Vale do Paraiba, before the end of this month six Engesa engineers will travel to Angola to start checking out the technical and operational problems in that country's fleet of heavy vehicles.

On 2 June, when the news of the signing of this first contract for the purchase of war materiel by Angola was released, it was reported that Engesa would only supply various military trucks, models EE-15 and EE-25, and EE-50 with Mercedes-Benz engines for the transportation of troops and light weapons. Minister Ismael Gaspar Martins has pointed out that his country is particularly interested in the possibility of repairing and recovering, through Engesa, about 5,000 trucks of its fleet of 15,000 heavy trucks. These vehicles are Scanias and Volvos, "whose technology is also known to Engesa," he said.

MILITARY BROUGHT BEFORE COURT FOR ALLEGED TORCHING

PY190126 Madrid EFE in Spanish 0046 GMT 19 Jul 86

[Text] Santiago, 19 Jul (EFE) -- Brigadier General Carlos Ojeda, commander of the Santiago Garrison, announced tonight that 25 militarymen have been brought before the court for their alleged responsibility in the intentional setting afire of youths Rodrigo Rojas and Carmen Gloria Quintana on 2 July.

Further on Military Involvement

PY100249 Madrid EFE in Spanish 0209 GMT 19 Jul 86

[By Fernando Rueda]

[Excerpts] Santiago, 18 Jul (EFE) -- Sixteen days after it was reported that two Chilean youths had been set afire and then abandoned on a suburban street in Santiago, the Chilean Army today admitted that 25 militarymen, including 3 officers, are allegedly involved in the affair. [passage omitted]

Brigadier General Carlos Ojeda, commander of the Santiago Garrison, announced during an unexpected press conference tonight that the alleged culprits had been identified. In his written statement Gen Ojeda said that a military patrol surprised a group of youths who were carrying containers with flammable materials. Rodrigo Rojas and Carmen Gloria Quintana were among these youths.

The general explained that one of the containers was overturned "by one of the persons arrested" and the clothes of the two youths caught fire. In his statement Gen Ojeda recalled that initially the Army had denied any involvement in the affair and admitted that "further investigation permitted us to ascertain that certain Army personnel were involved in the incident."

The lawyer of relatives of the two youths, Hector Salazar, tonight said that official statement shows the irresponsibility of the military high command which claimed soon after the events that no uniformed troops were involved.

Furthermore, Salazar stressed that the claim that the youths themselves overturned the container with flammable material and thus got burned does not at all explain why the two were abandoned on a suburban street in the capital instead of being taken to a hospital. [passage omitted]

GELBARD EXPRESSES CONFIDENCE IN GOVERNMENT PLANS

PY181603 Santiago Domestic Service in Spanish 1100 GMT 18 Jul 86

[Excerpt] The government has promised that it will implement a democratic system in 1989, and its present plan gives us confidence in this regard. This is what Robert Gelbard, U.S. deputy assistant secretary for Inter-American affairs, said during a press conference that was attended by many Chilean and foreign journalists. Also present at the press conference was Harry Barnes, U.S. ambassador to Chile.

Before answering questions posed by the journalists, Gelbard read an official statement in which he reasserted that the objective of his visit was to learn about the situation in Chile and that his visit had been planned 2 months ago.

Gelbard said that during his meetings with government officials and representatives from different national sectors all those involved were quite frank and direct in expressing their opinions. In the statement he read, Gelbard said that we repudiate violence from wherever it comes because it is not only an attack against civil and human rights, but against the achievement of a future democratic Chile.

The U.S. envoy added that we cannot expect that groups such as the Communist Party, which today promotes violence as a means to achieve its political objectives, will subject themselves to democratic rule in the future.

Gelbard also said that those who recognize the communists and other extremist groups are not helping to achieve a stable and democratic Chile. Gelbard expressed his confidence in the government regarding the announcements made to implement a full democratic system in 1989. [passage omitted]

MINISTER COMMENTS ON MEETING WITH GELBARD

PY181611 Santiago Domestic Service in Spanish 1100 GMT 18 Jul 86

[Excerpts] [passage omitted] Regarding his talk with Robert Gelbard, U.S. assistant secretary for Inter-American affairs, Interior Minister Ricardo Garcia said that they talked about different issues -- among them the essence, content, and basis of the institutionalization process.

[Begin Garcia recording] As you well know, Mr Gelbard has scheduled this visit to Chile within the framework of a tour through Latin American nations that he planned some time ago. He (?is interested in holding talks) with several government officials, among whom I was included.

In keeping with his wish I was pleased to meet with him yesterday and to hold a long conversation, which according to what Gelbard himself said at the end of this meeting, was mainly centered on the institutional development that the government is conducting; the different regulations that are being implemented; and particularly, on the essence, content, and basis of this legal and constitutional regulation.

As I told Gelbard, this regulation does not merely consist of the issuance of a series of regulations, but a fundamental part regarding communications, public administration, and essentially political sectors. [end recording]

When asked about the recent statement made by Chilean Air Force Commander Fernando Matthei, Garcia said that he would not comment on Matthei's statement.

The interior minister was also asked about a letter sent by the Truck Drivers Union that requested that the government drop the trial against the leaders of the so-called National Civic Assembly [ANC]. In this regard he said:

[Begin Garcia recording] We have been quite clear regarding respect for the courts and the implementation of their decision. We have also decided that any confusing issue will be referred to the courts for a decision. In keeping with this decision, which I believe deserves the respect of all citizens and which has been praised many times by the unions themselves, we have simply provided for the consideration of the courts the background material leading to the incidents of 2 and 3 July so that the courts may issue a decision.

I believe that this [words indistinct] completely different from a mere government request. It is the government's duty to request the courts to define the culpability of certain persons when processing incidents that result from disturbances that may undermine the peace. [end recording]

Regarding the reason for his visit to the building located at the corner of Esmeralda and Ismael Valdez Vergara streets, where an AFP [Retirement Funds Administration] office is presently operating, Garcia said that the objective of his visit was to verify the situation in the field and that this showed the government's interest in the progress of the electoral registries.

[Begin Garcia recording] You are well aware that we have been concerned not only with promoting the development of the law itself, of advancing on the electoral registries law, but also with preparing all those working tooks that will allow us to implement the law as soon as it is promulgated.

We were of course concerned with looking for a site where the electoral registry could operate. After several efforts, we have received an offer [words indistinct] which is the building we have just visited. [passage omitted] [end recording] [passage omitted]

TRUCK OWNERS CONFEDERATION JOINS ANC 18 JULY

PY190344 Madrid EFE in Spanish 0213 GMT 19 Jul 86

[Excerpts] Santiago, 18 Jul (EFE) -- Dr Ricardo Vacarezza, president of the Santiago medical school, today assumed the post of coordinator of the National Civic Assembly (ANC) and announced that the organization will hold to its line of "patriotic civil disobedience." In his inauguration speech, the new ANC coordinator said that a demonstration of solidarity with arrested ANC leaders will be scheduled for 25 July. [passage omitted]

Dr Vacarezza replaces Osvaldo Verdugo, president of the Professors College of Chile, who immediately after assuming his post was summoned by the Interior Ministry and then arrested on the order of the judge who is hearing the suit the government brought against the ANC leaders. [passage omitted]

Today, the ANC claimed its first great victory when the Truck Owners Confederation of Chile officially announced that it was joining the ANC Council, where the confederation will be represented by its president, Julio Lagos.

GENDARMERIE SUSPENDS JAILED ANC LEADERS' VISITS

PY210301 Madrid EFE in Spanish 1612 GMT 20 Jul 86

[Text] Santiago, 20 Jul (EFE) -- The Directorate of the Chilean Gerdarmerie (the uniformed police in charge of the prisons) today ordered the suspension of visits to the 17 leaders of the National Civic Assembly [ANC] who are currently in prison. According to the authorities, the suspension is due to incidents provoked on 19 July by approximately 200 teachers, who arrived at the prison to greet their top leader, Osvaldo Verdugo, who was imprisoned along with 16 other leaders of the country's main social organizations.

The Chilean military government has accused all of these opposition leaders, who are jailed in the Capuchions Annex of Santiago Prison, of being responsible for violence that occurred during this year's first national strike against General Augusto Pinochet on 2 and 3 July.

The Gendarmerie report was denied by leaders of the Chilean Teachers' Association, who stressed that "during the mass visit we made to our leader, Osvaldo Verdugo, there were absolutely no incidents."

RODOLFO SEGUEL ANNOUNCES 'MARCH FOR PEACE'

PY181328 Madrid EFE in Spanish 1356 GMT 17 Jul 86

[Text] Santiago, 17 Jul (EFE) -- The Chilean National Workers Command (CNT), led by union leader Rodolfo Seguel, today announced that it will soon call a march "for peace and against violence." The CNT also says in its communique that it is determined "to show solidarity with and undertake mobilizations for the unconditional freedom of the imprisoned leaders" of the Civic Assembly.

Fourteen Assembly leaders have been in jail since last week, accused of violating the state security law by calling the general strike of 2-3 July. The repression of this protest strike left 8 dead, approximately 100 wounded, and nearly 800 arrested.

UDI'S GUZMAN QUESTIONS PDC ALLIANCES, CONSISTENCY

PY182135 Santiago LA TERCERA DE LA HORA in Spanish 12 Jul 86 p 6

[Text] In a public announcement Jaime Guzman, secretary general of the Independent Democratic Union [UDI], said yesterday that his party "accuses the Christian Democratic Party [PDC] of reaching the most extreme degree possible of inconsistency and ambiguity." He added that at first the PDC tried to justify its repeated alliances with the Popular Democratic Movement [MDP] by presenting them as "agreements on social problems," which were not political pacts.

Guzman said: "These arguments, however, were refuted by the evident political connotations that the PDC and Communist leaders have given to their alliances in several university and labor union elections, as well as in the stoppage" of 2 and 3 July.

Guzman thus answered public statements by PDC Vice President Jose Ruiz do Giorgio, who said "that the agreements or alliances his party has made with the MDP do not contradict the PDC rejection of violence," because the "armed groups of the Movement of the Revolutionary Left (MIR) and the Manuel Rodriguez Patriotic Front are outside the political structure of the MDP."

Guzman added: "It is clear now that the PDC is forced to admit that it has made and continues to make agreements with the MDP and only tries to justify it through the grotesque argument that the armed groups of the parties or movements which make up the parties are not part of the MDP."

In conclusion, Guzman said: "Thus, the PDC believes it is possible to construct a democratic regime in alliance with Marxist-Leninist, and therefore totalitarian, groups. From now on we Chileans must be aware that the PDC finds nothing wrong with making agreements with parties and movements that defend and carry out violence and terrorism, so long as these parties state that ther armed groups are not included in the agreement."

CORRECTION TO GARCIA COMMENTS ON GELBARD MEETING

The following correction pertains to the item headlined "Minister Comments on Talk With Gelgard," published in the 18 July Latin America DAILY REPORT, page E 1, paragraph one, line two:

... That it was extensive and focused on... (changing word "tense" to "extensive.")

SUBCOMMISSION REPORTS ON CHARGES AGAINST BETANCUR

PA182027 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 17 Jul 86

[Text] Bogota -- The conduct of President Belisario Betancur and Defense Minister General Miguel Vega Uribe [during the M-19 seizure of the Justice Palace] did not violate the law. It was a government action that was carried out in good faith, and therefore we recommend that the charges presented to the Chamber of Representatives be dismissed, the subcommission created to study those charges has concluded.

The subcommission formed by Liberals Carlos Mauro Hoyos and Horacio Serpa Uribe and Conservative Dario Serpa Ordonez will ask today that the file opened against the president and the defense minister be dismissed. The file was opened due to charges formulated by three private individuals and Attorney General Carlos Jimenez Gomez.

The subcommission members believe that according to the current laws, however controversial thge decisions of government leaders might be, they cannot be contested. The subcommittee said that the charge against the president was filed against a government action that is the exclusive concern of the president, such as the maintenance of public order. It added that the subcommission does not have sufficient grounds to contest it from a legal standpoint.

The subcommission's report added that with their silence, the Colombian people have already passed judgement on President Betancur's decision -- a decision that legislators have described as political -- not to negotiate with the M-19 terrorists and not to suspend the military operation so as to guarantee respect for the lives of the terrorists. Government leaders have to account to their people and history for their good or bad actions, the report stressed. This will be discussed in Congress tomorrow.

12,000 FAMILIES AFFECTED BY FLOODS IN EAST

PA210244 Bogota Television Service in Spanish 0132 GMT 21 Jul 86

[Text] In the eastern plains, the rainy season has inflicted irreparable property damage to more than 12,000 families. In addition to the dramatic reports that "Promex" reporters have obtained in various parts of the country, the authorities reported that they lack sufficient means to deal with the emergency, warnming that they may be forced to request foreign assistance. Up until today, 34,000 tons of foodstuffs had already been dispatched to various points of the country.

MINISTERS MEET TO DISCUSS GELBARD'S VISIT

PY182203 Asuncion ULTIMA HORA in Spanish 18 Jul 86 p 12

[Excerpt] Several ministers and the president of the Supreme Court have held a high-level meeting at the Foreign Ministry to evaluate Paraguayan-U.S. relations in different fields, on the eve of the visit by U.S. Deputy Assistant Secretary of State for Inter-American Affairs Robert Gelbard to Paraguay.

Supreme Court President Luis Maria Argana, Foreign Minister Carlos A. Saldivar, Interior Minister Sabino Augusto Montanaro, Justice and Labor Minister Eugenio Jacquet, and Defense Minister General Gaspar German Martinez attended the meeting. The high-ranking government officials did not disclose the issues discussed, but they did say that they had conducted a general review of the subjects that may be touched upon with Gelbard next week. The issues have to do with politics, national security, human rights, union freedom, economy and other topics that have a bearing on relations with the United States. The U.S. deputy assistant secretary is scheduled to meet with these officials. [passage omitted]

PATRIA Views Visit

PY181736 Asuncion PATRIA in Spanish 18 Jul 86 p 7

[Editorial: "Nothing Better Than To Get To Know"]

[Text] The visit to Paraguay of the U.S. State Department's under secretary of state for Inter-American affairs is important, and above all the itinerary he will follow to get here, although incomplete, is important. Nevertheless, we are certain that his presence in the country, and the contacts that he will make, with the assistance of the White House ambassador here, whose experience and expertise have been demonstrated by his previous activities in his country, will have an enlightening and stimulating effect that will benefit the good U.S.-Paraguayan relations.

He will not be met here by reports such as those from Madrid, for example, about a bus being blown-up, 9 policemen killed, and 60 injured. Nor by ones like those which have just been received from Colombia, where 10 people were killed during a clash with the M-19 guerrillas, nor the tragic incidents in Peru and Chile, nor even by those of the hold-up of a bus on its way to Paraguay, in which the passengers were outraged and stripped of their jewelry and money "right near here." However, more important still, he will not find in the subcontinent, much less in Paraguay, anything similar to what has been taking place in Central America, or even the ideological uncertainty that might lead one to think about replacing democracy as the ideal of free government, of the people, for the people, and by the people, as Lincoln once said.

In South America there are no institutionalized dictatorships, such as Cuba and Nicaragua. He might be met by some temporary situation, a situation of transition, but in the great current of South America ideals, all the impetus pluralist, and antitotalitarian democracy, in which the will of the people is periodically expressed in order to elect the authorities through the votes of the majority, without impairing the rights of the minorities.

In yesterday's editorial we clearly explained that in Paraguay the situation is different. Without having to resort to rhetoric, we can say objectively, concretely, based on facts, and using any yardstick to compare situations, that Paraguay presents, letter by letter, a d-i-f-f-e-r-e-n-t s-i-t-u-a-t-i-o-n and, in honor of the justice that is due to people as well as to nations, this is how Paraguay should be seen by the international community, in which there is no place for sectarianism or the shady political dealings that sometimes obscure the internal political struggles of countries.

Our America's recent history is filled with blood, violence, abuses, extremisms, and radicalizations, but none of them has taken root in Paraguay, where the outbreaks of reactionary barbarism have been sporadic and have not managed to obtain a firm footing or any followers. Since the iniquitous civil war of 1947, unleashed from abroad by the coalition forces of the opposition against the legal democratic opening, and especially against the undeniable leadership of the Colorado Party, there has been no place in Paraguay for organized aggression against the civil power. Guerrillas, invasions, movements, columns, and even the complicities with foreign assistance have failed here; there has been no dirty war here; the history of missing persons in minimal; the slanderous reports of the communist and extremist propaganda have never been confirmed; and there is no institutionalized torture here. Proof of this is shown by the various trials being conducted against some police officers accused of abusing of their power, as does happen -- and in fact occurs even in the United States. There are no political prisoners here, and if there were, or there are common criminals held for political reasons, they have all been tried by the regular courts; the general rule has been benign treatment with the right to release on bail or to parole in most cases. Even if some "arbitrariness" is pointed out, it will be seen that the "victim's" record allows more drastic penal procedures. A relative "quarantine" has been adopted instead to preserve public order and the normal development of the legal political activity. This is, on making a thorough analysis of the country's situation, what the people really want. This is the most appropriate for the coexistence of the largest sectors of society, among the peasants of this country of farmers, among factory and shop workers, that is, among the largest and most representative sectors of the population. And we are not going to find this in any of those demagogues who tear their clothes, but are unable to shoulder with everyone else, without excuses, what is best for all.

We are certain, because we have confidence in justice, that the high-ranking official of the State Department, with the assistance of the enlightened experience of the U.S. ambassador, will see enough in a few days' visit to get to know Paraguay as the plotters and extremists do not want it to be known.

ALVA CASTRO STRESSES WORK ON APRA CABINET

PY181624 Lima Television Peruana in Spanish 0100 GMT 18 Jul 86

[Excerpts] The Cabinet ministers this afternoon oficially presented their resignations en masse to President Alan Garcia Perez. This was announced by Prime Minister Luis Alva Castro at the end of a long meeting with the president at Government Palace. Alva Castro recalled that a week ago he presented a detailed report to the president on the work performed by all the ministers, who have fully fulfilled their historical responsibility of being part of the first APRA [American Popular Revolutionary Alliance] Cabinet. Among the most important achievements, he stressed the reduction of the inflation rate. [passage omitted]

[Begin recording] [Reporter] Can this resignation en masse of the Cabinet ministers be taken to indicate that a ministerial crisis exists?

[Alva Castro] Absolutely not. There is no crisis. I want to stress this, because whan we want is to fulfill something established: Every 28 July, on completing 1 year of work as members of the executive branch, the ministers must tender their resignations to the president of the Republic. A week ago I gave the president a detailed report on the work conducted by the ministers. They have fully complied with their historical responsibility. The first APRA Cabinet is a historic Cabinet. It assumed a challenge due to the serious crisis affecting the country. And after a year of work, we are convinced that we have made progress. All Peruvians are convinced that we have made positive progress. The achievements can be seen by all Peruvians.

[Reporter] Could you name some of the most important achievements of the first APRA Cabinet?

[Alva Castro] Some say that the most important achievement is the stability we have given to the democratic system. It is also said that we have regained the confidence and security the country needs for a better future. This is said in general terms. But no one can disregard the fact that the struggle against inflation has been a complete success. And it has been a success. During the last 11 months of the previous government, inflation increased greatly, reaching as high as 173 percent. But during the first 11 months of APRA government, inflation has been reduced to only 70 percent. [end recording]

PEASANTS BLOCK HIGHWAY, OCCUPY PIURA CITY

PY181907 Madrid EFE in Spanish 0315 GMT 18 Jul 86

[Text] Lima, 17 Jul (EFE) -- Demanding better prices for the cotton that they produce, some 5,000 peasants have practically seized the city of Piura, 1,000 km north of Lima. According to reports released today in Lima, the peasants have blocked the northern Pan-American Highway with agricultural tractors and settled in the main square of Piura demanding the presence of Prime Minister Luis Alva to meet their economic demands. The police managed to restore traffic on the Pan-American Highway after confronting the peasants, who then moved to the main square in Piura. They are demanding the fulfillment of the offer made to them to increase cotton prices and the reduction of interest on loans granted to then by the Agrarian Bank. We are not intransigent, peasant leader Luis Montalvar stated. We only want fulfillment of the promise made to us. Piura Prefect Enrique Andrade said that he had contacted the Economy and Finance Minister in Lima and that he had confidence a solution to the conflict would be found quickly. The peasants stated that they will not return to their land until their demands are met.

PRESIDENT DEEMED WELL AFTER DIZZY SPELL

PY190243 Montevideo Radio Carve in Spanish 0000 GMT 19 Jul 86

[Text] The Office of the Presidency of the Republic has confirmed that President Sanguinetti was found to have nothing wrong with him after the slight dizziness he felt this morning during a ceremony to celebrate the anniversary of the Constitution. An official communique states that the president walked to City Hall, where he recovered.

The communique adds that Public Health Under Secretary Samuel Villalba attended Sanguinetti, but did not find anything wrong with him. Villalba stated that the president's indisposition could have been caused by a digestive problem or by his intense activities. Sanguinetti visited various sectors of Montevideo this morning.

IGLESIAS LEAVES FOR USSR, CONFIRMS SUMMIT IN B.A.

PY160154 Montevideo Radio Carve in Spanish 0000 GMT 16 Jul 86

[Text] Foreign Minister Enrique Iglesias has confirmed that President Julio Sanguinetti will meet at the end of the month in Buenos Aires with Argentine President Raul Alfonsin and Brazilian President Jose Sarney. During this meeting the three presidents will discuss the development of the relations among the three nations. Iglesias also disclosed that they will discuss the initiatives being taken by the three countries to strengthen cooperation and commercial ties.

Minister Iglesias left today for the Soviet Union, Bulgaria, and Hungary. His visit is political and economic in nature and is backed by quite strong relations which, he stated, he hopes to strengthen.

MINISTER NOTES REDUCTION IN MILITARY PERSONNEL

PY200104 Madrid EFE in Spanish 1740 GMT 19 Jul 86

[Text] Montevideo, 19 Jul (EFE) -- According to a report by Defense Minister Juan Vicente Chiarino, the Armed Forces has reduced its personnel by 2,800 during the 16 months of democratic government. The minister announced 2 weeks ago that the government has begun a "very important" reduction of military personnel by not filling vacancies, which in the Army are 20 percent.

This reduction will also affect the Navy and the Air Force, but to a "lesser extent," Chiarino added. Currently, the Uruguayan Army's personnel amounts to 20,000 out of 2.9 million inhabitants. After this reduction the number of Army personnel will be similar to what it was before the military regime (1973-1985).

According to political estimates the number of Armed Forces, policemen, firemen, and other personnel in Uruguay reached 60,000 during the de facto regime.

BRIEFS

INCREASED EXPORTS IN 1986 -- Montevideo, 3 Jul (EFE) -- The industry and energy minister has reported that Urugayan exports will exceed $1 billion this year, that is, they will increase by 20 percent in relation to last year, when exports totaled $850 million. The minister said that exports during the first half of 1986 increased by $100 million in relation to that of 1985. [Excerpt] [Madrid EFE in Spanish 2334 GMT 3 Jul 86 PY]

LUSINCHI ADDRESS TO NATION ON ECONOMIC REFORM

PA180245 Caracas Television Service in Spanish 0001 GMT 18 Jul 86

[Speech by President Jaime Lusinchi at Miraflores Palace -- live]

[Text] Fellow countrymen:

Once more I address the nation, fulfilling my responsibility as a president, with the intention of announcing decisions which I believe are important in this current phase of our republican life. The national reality encourages our sense of duty and desire to maintain a constant communication with the country, always alert to the events in the economic, political, and social sectors, acting without undue haste but without stopping our activities, and always planning for the future.

I have proved that it is possible to fully exert the government's leadership without losing the capacity to listen at all times, a trait which must characterize those who lead our democracy. We also believe that we have clearly proved our ability to resist the temptation of immediate and spectacular results. We think that the leadership of a country during adverse moments requires serenity, patience, and the ability to recognize an opportunity. Our policy has always been to act after considering, as much as possible, the consequences of our government's actions and after fully evaluating the possibilities for our country. It is understood that this involves the government's actions as a whole.

Based on this, I have requested the people's help for the recovery tasks that circumstances have imposed on us. Every time I have participated in a dialogue with you -- who today see or hear me in your homes and workplaces, and tomorrow will read about me in the national news media -- I always referred to the situation we found when we received the government. I have done this only because the Venezuelans should never forget that squandering, easy solutions, negligence, and the desire to get rich without effort led us to the unassimilable paradox of becoming poor amidst the greatest abundance of resources that the country had even enjoyed.

The following is not a vain invention, it is a dramatic reality: Between 1979 and 1983, the immense amount of $73 billion was squandered, in barely 5 years. This represents half of all the revenues in petro-dollars in our history, as of 1940 -- no less than 43 years. In 1983, we imported more than 60 percent of our food; our industrial capacity languished and was almost totally idle; our internal and external public debt was overdue and anarchic, and its interest was unpaid; our public services and national infrastructure were completely ruined. The country's spirit, defense mechanisms, and desire to struggle were defeated and distorted to the point where more than $25 billion was taken out of the country. Part of this was due to corruption, another part due to an antipatriotic desire to speculate, another part due to a fear of seeing one's life savings destroyed, and another part because a few were encouraged by those who should have safeguarded our foreign exchange and coin, but only encouraged the Venezuelans to spend and invest abroad.

Given this dramatic reality, there was no other alternative: We had to begin the task -- not always pleasant or recognized -- of establishing an internal order and raising the very action of ruling to trustworthy levels. Even though our goal was to launch ourselves at the country's reconstruction from the very beginning, the truth is that we had to spend a substantial part of our energies in establishing the basis for a coherent and sustained action. This process, of recovering the conditions necessary for the government to exert itself for a change, is painful, long, and -- as happens when one has to correct the actions of others -- involves anonymous efforts that are not always publicly recognized.

I can now safely state that we have managed to amend the lack of fiscal balance and attain -- during the 1984-85 fiscal year -- an accumulated surplus of 46.9 billion bolivares. This has allowed us to increase the reserves of the treasury, oil industry, and other state enterprises. The inflationary process is under control and, despite the important adjustments to the prices of certain goods as a result of the modification in our exchange rates, the average inflation has remained under control -- around 12 percent -- during the last 2 years. A significant decrease in the rate of inflation has been noticed during the last few months and the accumulated inflation rose barely 2.6 percent during the last 5 months -- from January to May 1986.

Yesterday, we received pleasing official information from the president of the Central Bank of Venezuela, stating that the final figures of our economy for 1985 show a 0.6 percent increase in the gross non-oil domestic product. Therefore, 1985 is the first year in which we achieved economic growth following 6 consecutive years during which our economy showed a negative increase. We have attained zero level, surpassed this level, and we continue to grow. This means that, after inheriting a prostrated economy and a negative 5 percent growth rate, we have overcome this and managed to make it grow.

In my message to the congress on 14 March 1986 I said -- and I repeat it with more emphasis today, given the latest oil developments -- that we have managed to refinance our foreign debt; regulate our internal debt; stop the uncontrolled expansion of the official bureaucracy; abolish the budget deficits; consolidate our external accounts; strengthen our international reserves; put the state-owned corporations on a sound basis; begin to reduce unemployment; embark on the road to economic growth; revitalize agriculture; revitalize the industrial sector; encourage our nontraditional exports; begin to restore the quality of our public services; begin a progressive improvement of our health, nutrition, and education sectors; and give the country a renewed trust in its own capabilities.

However, the oil crisis has worsened and underscored the risks and instability in the world's economy. When we began the current fiscal year we planned our oil revenues based on a price of $24.50 per barrel. Compared to the revenues of the past years, this represented a significant drop. However, based on this, we planned our course of action. But, the uncertainty of the market and the current situation forces us to predict that, despite the excellent management on the part of the oil industry, the price of a barrel of oil, combined with our export volume, will be approximately $10.00 less than the price estimated earlier this year. This paints a dramatic picture for 1987. Speaking in absolute terms, this means that in 1986 we will lose revenues in the amount of $5 billion and 30 billion bolivares and we can prudently predict that by 1987 we will experience the same level of revenue that we predicted for this fiscal year. That is the problem.

Today, Venezuela has seen the oil revenues drop 50 percent in comparison to 1981. Yesterday's price was $29.71 per barrel; today it averages $15.00. Speaking in terms of the family budget, let us imagine that our national wages have been cut by half. This is the challenging situation we face, and we cannot stand idly by. Therefore, we must all contribute to closing the gap that oil has made. And I mean everyone.

I must state that the government's wisdom and seriousness concerning expenditures, handling of international reserves, and the promotion of domestic production, has allowed us to absorb the heavy impact of this situation in 1986. This was done with the savings we had accumulated. However, this will not be possible in the future if we do not adopt other measures that will guarantee a more in depth change in the country's economic and social sector.

We must now adopt, with anguish and concern for Venezuela, serious decisions to thus balance, with the greatest equity possible and always thinking about a stable future, the contributions in efforts, work, and sacrifice that each one of us must make under the current circumstances. Given the uncertain oil outlook, we need a positive national answer to overcome the crisis. Furthermore, I think that it is important for me to point out, and this is part of the crisis, that the attitude of the various national sectors is not exactly positive. Moved by an overwhelming instinct of preservation, they feel -- some in good faith and others for selfish reasons -- that the decrease in revenue should discriminate and not affect them.

We must assume that every Venezuelan is aware of the very difficult situation we are facing. Assuming that this is so, we find that the serious part comes when the quota of sacrifice is demanded, because we all have hopes that the crisis will affect others and not touch us. To justify this, excuses that are unobjectionable under normal conditions are used. The businessmen say that the productive system must be protected, therefore, this sector should be subsidized and guaranteed profits so that the economy will not be destroyed. The workers say that their purchasing power has been affected and that it should be increased. The universities are asking for more money because they have greater expenses. The unemployed demand wages at any cost. The government tries to spend at the same rate as when it had twice the revenue it is currently receiving. We all want to maintain the same comfortable and artificial standard of living that a growing oil revenue and an unlimited indebtedness allowed us to enjoy. This is simply not possible. This is the harsh reality. It would be very dangerous and vain to try to hide it, and since I said that I would be the president of the truth, I must state it bluntly.

We, the Venezuelans, must grow accustomed to the idea that the alienating and modern privilege of getting everything the easy way has come to an end. We must now, just like the pioneers who came from the old country, accept the possibility of being prosperous through our own efforts. Businessmen must understand that they will have to sacrifice profit to protect productive activity; those who have jobs must understand that productive activity must be defended and they must help create jobs for others. The government must understand that it cannot continue to spend so freely and that, with the funds available, it must cover the priorities. This is particularly true for the organizations and officials who handle the health, education, and public service requirements. We are in the government to service, not to be served. We will ask everyone to give his share; the government will be the first.

We cannot postpone the task of adopting the decisions that will adjust the country to the new situation. Our decisions have not been easy ones, and we do not think that the implementation will be any easier. However, we are forced to distribute the load in accordance with the capabilities of absorbing them. Obviously, some will feel that their load is larger; however, we hope that they will understand that these measures were adopted to guarantee the economic and social health of the nation. We acted with a view to the future to direct the government actions toward those who need it most and deserve it. This is a government of popular origin, and it will honor its commitments to the people.

We have carefully considered our new course of action in view of the current difficulties. We have taken the time necessary to guarantee a serious, conscientious study of the factors at hand, both direct and indirect. We have consulted, listened to, and weighed the opinion of various leading sectors of Venezuelan society. In the course of these past months, we have received valuable contributions from many specialists in economic and social matters. Our government has discussed in depth all the alternatives proposed during the past few months. Finally, we have selected a flexible course of action aimed at the fulfillment of the basic objectives we proposed for the good of the people. We seek these objectives:

A. To guarantee an economically and socially harmonious self-sufficient development on a medium- and long-term basis. This development should provide adequate levels of employment, agricultural self-sufficiency, the substitution of imports, and the fostering of our exports as the result of the steady strengthening of our productive system;

B. To guarantee the equitable and fair distribution of national revenues; and

C. To bring about the greatest possible well-being for the current population, aiming basically at the improvement of the coming generations' standard of living.

The policy outlines that we have been constantly pointing out and that lead to a cumulative change of Venezuelan society and its relations with the state are still current. No changes occur here, nor can they occur. There are strategic variations, yes, imposed by circumstances or recommended by experience or the stances of the various sectors. This is related to the actions that I want to announce to all Venezuelans tonight and that will determine the government's course of action in the near future. These are those immediate-action measures:

1. In view of the sudden oil price drop, we have suspended the subsidy given to Venezuelan private sector and public sector enterprises so that they could pay for their foreign debt with dollars on a 4.30-bolivar exchange rate. This debt will now be paid with dollars at the only preferential rate that the country will use: 7.50 bolivars to the dollar. This subsidy was approved when the price of each barrel of oil was higher than $26 and the national economy was on the verge of bankruptcy. We regarded this subsidy as necessary and possible at the time, but it cannot be maintained under current circumstances. It is impossible. The only alternatives we had for this were either the devaluation of our currency for all the population or an indebtedness that all Venezuelans alike must bear. Responsibly, my government chose to eliminate this subsidy. We know that the enterprises -- attaining a reasonable profit margin today and in consideration of the positive dynamics generated by our economic reorganization -- will be able to absorb this cost and thus respond to the sacrifice that the nation demands from them at present. This determination will save the national economy and them.

Any other solution, apparently easy, unfair, inconvenient, or that would have disrupted the economic and social rhythm, would have surely dragged them to ruin in the end. This should be pondered for a while. Do it.

2. We will adjust our fiscal policy to update the income tax and make more reasonable the tax collection on the profits obtained as the result of the state-built infrastructure works. We will update the revenue from fiscal stamps and the rates charged for public services. All this will be made in the context of the recommendations presented by the Fiscal Reform Commission, formed by distinguished specialists who worked conscientiously and seriously for a number of years.

3. We will amend the foreign investments statute to foster the entry of fresh capital in the country. This will be carried out within the well-known policies that we have established and that we intend to affirm and facilitate.

4. We will ban the import of agricultural goods produced in the country in sufficient quantities. We will also ban the import of all that can be substituted with other agricultural products on our farms.

5. We will reduce the imports of all finished products to those strictly necessary in order to save currency for the raw materials and the semi-manufactured products so as to guarantee the national industry's activities and certain development.

6. We will establish a true export economy, taking all pertinent measures to guarantee efficiency and avoid the excessive permissiveness and absurd biases that still weigh on the economy.

7. We will implement the national energy plan by harmoniously organizing the official sector in charge of energy generation and distribution. For years this sector has grown and developed in a disorderly way and with a serious scattering of resources.

8. We will structure an integrated plan to support social housing projects for which 5 billion bolivars will be alloted during my government's term. This will permit loans for the construction of homes and will make it easier to purchase these homes over a period of up to 20 years with fixed interest not higher than 9 percent. All this will be made within a mechanism similar to the one established in President Romulo Betancur's successful Decree No 611.

9. We will structure a national program to support the tourist infrastructure. For this, 3 billion bolivars will be earmarked during my government's term. This program and the one we mentioned previously for housing will be managed jointly by workers and employers in the context of the social pact.

10. Regarding a greater reduction of government expenses, we have issued a directive to increase austerity in public expenditures by radically eliminating unnecessary disbursements. This directive complements current norms and corrects the defects detected during their application.

11. We have established a scholarship and wage program which will benefit some 50,000 Venezuelan youths who will participate in a 6-month training course and receive a minimum wage payment of 1,500 bolivares.

12. We have ordered the ministers of the infrastructure to redraft the construction of workers' program to give definite importance to the works of sanitation, provision, and consolidation of neighborhoods and to rapid job-creating projects.

13. We have ordered a training program for the personnel of the autonomous institutes, state enterprises, state governments, and the central administration to train them so that they can carry out their work in priority areas which require trained personnel.

14. We have given instructions to rationalize the government's purchases aimed at intensifying the Buy Venezuelan Decree and to prevent expenditures in the public administration. We have made significant advances in this respect, but we are still not satisfied.

15. The prices of the 30 basic products of the family basket are frozen.

16. We have issued a decree to abolish all unnecessary requirements and red tape which will exist in public offices in the processing of official transactions, except those established by laws and regulations.

This decree also orders the immediate revision of the terms established in those laws and regulations, to request of the Congress or the Council of Ministers, whichever the case, their immediate amendment.

17. The finance minister has received instructions to appropriate the funds necessary, after meeting the corresponding procedures, in order to implement or consolidate the following social programs: milk for the people, students' glass of milk, pregnant women's care, school lunches, school dinners, soup kitchens, health and education expenditures control, penitentiary policy, and public service improvement, particularly city transportation.

18. As part of the orderly process that should prevail in an efficient state, the Council of Ministers approved the president's order to make the administrative procedures of serving the public more expeditious, as proposed by the Presidential Commission for State Reform. This order of obligatory implementation for all branches of the central administration and the decentralized administration is aimed at simplifying all the procedures which a citizen normally requires, something very important which has been long needed.

19. We have issued a decree abolishing the solvency requirements which most of the time and without any good reason are required by the public adminsitration. From now on it will be necessary to collect only the last order of payment. Thus, we eliminate one of the most bothersome factors of the relations between the contractors and suppliers with the state.

20. We will submit to Congress a special bill for the sale of assets not used by the public administration, from enterprises that are not fundamental. Thus, we comply with my government's desire to make the citizens the main promoters of the productive and social process. The state reserves the role of strategic leader of society. This bill will make it possible to overcome the mess of legal procedures which thus far have prevented our political will from becoming a reality.

21. After analyzing the studies submitted by the Presidential Commission on state reform, regarding the decrees issued by the Executive Branch under the restriction of the economic guarantees established in Article 96 of the Constitution, we have issued a decree abolishing all the provisions that have no current justification, or that in view of the advances made by our legislators, can be based on existing laws.

As should be expected, the ministers and organizations in charge of their implementation will give full details of all these measures.

I want to place special emphasis today on the social policy I outlined in its fundamental guidelines in my message to Congress last March. It is my intention to strengthen the government's action in this fundamental aspect of the nation's life. For this reason I have reserved for myself the right to explain the measures regarding the social issues.

The confrontation with crucial poverty and the passive and active role of the family in society's development demands that we give priority attention to direct and specific changes in relation to indirect and generalized subsidies. We must also implement a functional overall social policy. For this purpose, I gave instructions to have all organizations in the social sectors aim their efforts at achieving the proposed goals.

Such actions have recently led to the implementation of a functional social policy in which, in order to overcome the obsolete and harmful paternalistic attitude of the state, it has been necessary to establish guidelines on which the people can agree and through which they can increase their motivation, education, and training to improve their living conditions, their social organization, and unity.

It is a matter of putting into effect in a systematic way the concept that the rendering of services by the state should result in an attitude of motivation and improvement on the part of the people, aimed at achieving their independence from paternalism and other negative foreign factors.

It is a matter of keeping abreast of the new Venezuelan reality, which means a less generous and interventionist state, and citizens who are more creative and self-supporting.

The operating social policies we have adopted seek to stress the following areas: employment; nutrition and health; education and training, including actions in the scientific and technological fields; fomenting social and economic forms of community organization, like neighbors' associations and cooperatives; culture, in order to promote the strengthening of our national identity; crime prevention and the antidrug struggle, in order to defend our human resources.

Regarding employment, in addition to strengthening the macroeconomic plans already underway, the already-mentioned program of scholarship wages [becas salarios] handled through the INCE [National Institute of Cooperative Education] becomes important, as it aims to facilitate, with the concurrence of participating enterprises, the gradual training and integration of young workers into the productive apparatus. In this regard, certain sectors will receive special atttention in order to overcome productive bottlenecks, such as the ones in the production of food, marketing, tourism, and maintainance [mantenimiento]. I also want to stress the implementation of a large-scale program of public works projects in neighborhood and the preservation of public works projects which will benefit hundreds of Venezuelans.

As for the field of nutrition, the substantial reinforcement which the Government's actions have achieved is worth noting. These actions include: the implementation of the school milk program in which milk is distributed to 2.3 million preschool and school age children throughout the 150-day school year; a large-scale expansion of the school lunch and cafeteria programs; and broader direct nutrition assistance to mothers and children at mother and infant health centers. We are currently putting the final touches on the structuring of these programs to turn them into permanent realities. In this way, we are fulfilling commitments made to give special attention to the basic family unit. We will also stress instruction on nutrition in order to improve the habits of the citizens regarding our native resources, family expenses, and health.

In the field of education, we will continue stressing the preschool and primary school as well as programs directly linked to production, such as technical and industrial schools and farm schools, which have given encouraging results. However, we will also give greater attention to programs of nonformal education, which the country's new situation needs in order to make the scope of educational endeavors broader and more effective; for example, daily care homes and educational programs at the community level. The purpose is to upgrade Venezuelans' quality of life through hygiene and preventive health care.

Regarding the field of health, we will step up efforts to reinforce primary medical care and preventative health. The care of pregnant women and infants will receive primary attention. We will promote breast feeding, early stimulation, and vaccinations. Our emphasis will be on the basic family unit, promoting a greater participation of the individuals in maintaining their own health.

It is worth noting that we are determined to make optimum use of expenditures in the field of health and education in seeking a better cost-benefit relationship, and by pointing out new priorities in the social sector. With this renewed and effective priority attention to the social sector during this new phase of my government, I intend to honor the principles of social democracy with which I characterized my promise for change to Venezuelans. The struggle which this new social policy and the change in Venezuelans' lifestyle impose is a difficult yet unavoidable challenge. It will only succeed and will have an impact in the future inasmuch as the entire country is involved in this task of historical dimensions.

Tonight, I cannot omit commenting on the national political situation. Economic hardship -- in our case, instead of hardships, the lack of luxuries and follies to which our past accustomed us to and which we unfortunately can no longer maintain -- is generating tensions.

People are appearing resembling the pied piper. They are making us believe that they have a magic power to lead the people to a state of almost hedonistic happiness by blowing away all our difficulties and replacing them with a mythical boom. Now, at the end of this address, I must clearly state that I rationally believe that this situation can be controlled. It is a matter of wanting to, and, obviously, we must and can do so. Venezuela is a country of extraordinary possibilities. In relative terms, if we compare ourselves with other countries from this continent as well as others, these possibilities can allow us to successfully overcome this test we are now facing. We have enough international assets, capacity for production, and, chiefly, young people with intellectual qualities and a desire to work. To be sure, we are still somewhat lacking in esprit de corps, and in the desire to put aside personalisms and reinforce our capacity of sacrifice to reach the necessary consensus.

From the government, we have very often felt that this is the fundamental reason keeping us from overcoming some difficulties. At any rate, in our roots as a people we have the example of exploits that crowned our nation's efforts. We must set out to once again adopt the pioneering behavior or to return to our beginning to update our entity.

The national government and I, in particular, are prepared to contribute with our share of amendments needed to [word indistinct]. Far from promoting changes, the conflict may slow them and dim hopes. This is the time for calm reflection, generous openings, understanding, and joint effort. The victory circumstances will produce is far from selfishness and prejudice. Each one of us must give the country the effort it is now asking of us.

The decisions I am announcing today combine policies for a new phase in our government actions. This phase is in part an act of sovereignty. It matches the government's action to private debts in terms of the recovery achieved and the radical changes in oil revenues. At the right time, it stresses the outlines of a social policy that will seek a balance while promoting employment and consumption and thereby confirming reactivation. This is coherent action to face challenges and to advance towards goals of excelling. These measures have been structured with loyalty to Venezuela. They seek the support and effort of all Venezuelan society so that the process may be duly fulfilled.

I repeat, it is not easy to implement this adjustment course. However, we have no valid or reliable alternatives. This has been carefully thought out. This is the path, the good path. Good night. [applause]

DE LA MADRID RECEIVES PAN DOCUMENT ON ELECTIONS

PA191459 Mexico City XEW Television Network in Spanish 1305 GMT 19 Jul 86

[Text] President Miguel de la Madrid received a group of deputies of the National Action Party [PAN] at the Los Pinos official residence yesterday. The deputies delivered a document in which they protest a number of alleged irregularities that affected Chihuahua's electoral process.

The president promised to analyze the PAN document in detail; he immediately asked the Government Secretariat to conduct meetings to discuss the charges made by the PAN.

De la Madrid said that although the executive branch is not entitled to analyze and judge the elections, he will review the document presented by the PAN deputies.

For their part, the PAN representatives, headed by Bernardo Batiz Vasquez, secretary general of the party's executive committee, admitted that the recent elections in Chihuahua can only be judged by the electoral authorities in that state. Nevertheless, they added that they wanted to inform the president of their viewpoints regarding the Chihuahua electoral process.

During the meeting, President De la Madrid urged Chihuahua residents to stay within the law and prevent any action that could disrupt public order.

Government Secretary Manuel Barlett Diaz was present at the meeting.

SEPULVEDA DISCUSSES CONTADORA, ELECTIONS, DEBT

PM181539 Madrid EL PAIS in Spanish 10 Jul 86 p 6

[Interview with Foreign Relations Secretary Bernardo Sepulveda Amor by Antonio Cano in Madrid; date not given]

[Excerpt] [passage omitted] Question: Can the Contadora endeavor be deemed ended?

Answer: So long as the situation that prompted the creation of Contadora continues, it seems to me that Contadora's raison d'etre will remain valid. Unfortunately, a crisis is being suffered in the area for which a peaceful solution must be found.

Question: But the Central American countries themselves no longer seemed very interested in Contadora.

Answer: I am not very sure about that. Without denying the obstacles involved in this endeavor, I have the impression that there is a need to have forums which will make possible political dialogue, and to this effect Contadora is a favored arbiter for negotiation.

Question: Do you believe that the treaty of peace and cooperation Contadora is proposing to the Central Americans will be signed some day?

Answer: We hope so, but I would like to mention something that is sometimes forgotten: The fundamental responsibility for finding a system of peace, cooperation,and democracy rests essentially with the Central Americans. That is, the Contadora Group confines itself to providing, with the cooperation of the Central Americans themselves, a legal edifice and a political system to enable them to attend to their differences, but it is the Central Americans themselves who in the final analysis must accept those responsibilities and duties, but also those rights.

Question: Do you find a willingness to accept those responsibilities on the Central Americans' part?

Answer: I hope they will realize that it is in their interest to have legal framework to govern their relations harmoniously.

Question: Who are Contadora's enemies?

Answer: Underdevelopment, the East-West confrontation, the conflict of interests and of national plans, and sometimes the lack of political resolve.

Question: Nicaragua has already twice declared itself prepared to sign various draft peace treaties. Do you believe that the Sandinist government is sincerely interested in Contadora's success?

Answer: I proceed from the principle that what a government says reflects an attitude that has to do with accepting political agreements. It is advantageous for everyone to take what each of the governments says on its merits and in a spirit of good faith. I would like the five Central American governments to act jointly in favor of the Contadora plan, which, in our opinion, remains the only existing peace plan, the only which has cogency and validity from the viewpoint of eight Latin American governments, which represent 90 percent of the Latin American populations.

Question: There are those who believe that the OAS and the United Nations itself could undertake the work now performed by Contadora.

Answer: Look: Exactly 10 days ago, we four Contadora foreign ministers were in New York, meeting with [UN] Secretary General Javier Perez de Cuellar, and in Washington, meeting with OAS Secretary General Joao Clemente Baena Soares, and they both stated that, from their political viewpoint, there is no alternative to Contadora.

Question: Do you believe that there is a danger of an exacerbation of the war in Nicaragua?

Answer: I would say so, because the major fear is that a conflict of this kind will not remain localized but will become a phenomenon resulting in a state of war throughout Central America.

Question: Does U.S. assistance to the contras contribute to this danger?

Answer: It certainly cannot be deemed a contribution to the Contadora peace process. We are making a peace proposal, and in this instance a contrary contribution is being made.

Question: Do you understand the reasons prompting the Nicaraguan Government to shut down the newspaper LA PRENSA or to expel Bishop Pablo Vega?

Answer: It is the outcome of that prewar state we observe in Central America, where decisions are inevitably influenced by military strategy and not by political tactics.

Question: Mexico has been criticized recently by various U.S. political sectors. Do you believe that this could influence its foreign policy?

Answer: We Mexicans take pride in having a particularly valuable political asset in an autonomous, independent, worthy, and estimable foreign policy, and this kind of recrimination leveled mainly by a minority section of the U.S. Senate, will certainly exert no adverse influence on this nature of Mexican foreign policy.

Question: How do you judge U.S. policy in Latin America?

Answer: We would like to restore a political dialogue between Latin America and the United States, which, in our opinion, would be more fruitful than the attitude of benign neglect to which Latin America has been subject. Roosevelt's "good neighbor" policy and Kennedy's Alliance for Progress are remembered with appreciation.

Question: To what extent does Mexico's domestic policy influence its foreign policy? That is, do you not believe that cases such as the recent elections in Chihuahua, concerning which suspicions of fraud have been expressed, discredit the Mexican Government and limit its international scope for maneuver?

Answer: I would say that of course I do not believe that this should exert an adverse influence, because I repeat that there is an element of autonomy in the case of Mexico's foreign policy. However, I would like to make some clarifications about the electoral process in Chihuahua and in other states of the republic. I would point out that it would be unfair and unwarranted to reproach the Mexican political system for that process being, from some people's viewpoint, a process with imperfections. I would like to emphasize that in last Sunday's electoral process there were 2,000 polling places, there were over 1 million Mexicans going to the polls to cast their votes, and there were nine political parties taking part in those elections, representing the most diverse political currents in Mexican society. If there were some incidents at some of those 2,000 polling places, this is attributable, in my opinion, to a manifestation of the fervor with which the democratic political game takes place in Mexico, but that does not, even remotely, mean that a phenomenon of electoral fairness did not occur overall.

Question: Do you find imperfections or limitations in the Mexican political system? What are they?

Answer: As is the case in Spain, Argentina, or Brazil, we are engaged in a modernization process. That is, we are involved in a project that means achieving greater degrees of excellence in our political institutions.

Question: What do you mean by this?

Answer: For over 55 years we have had a political system that was delicately constructed and has represented a stability unique not only in Latin America but also in other parts of the world. We have been able to find a balance in our political system which enables us to have a majority party that performs an important political task in what it does to satisfy a society's various needs. I would like to take an example -- the case of Japan, where there has been a party that has also had that ability and has been in power for a very long time. Prime Minister Nakasone was even able to broaden the party's base in the last election. In the case of Mexico, it is a fundamental political decision by the Mexicans to ensure that a government that has displayed ability to perform politically and economically continues to govern the Mexicans.

Question: What is Latin America's foremost problem at present?

Answer: In our opinion, the most important problem to be tackled in Latin America has to do with the economic issue. It is not the Central American issue that worries us most. Latin America is experiencing a process of crisis in its development that requires particularly careful attention, leading to the Latin American economies' recovery.

Question: What is Mexico's stance on the Latin American foreign debt?

Answer: In the first place, it must be said that, because of the fall in oil prices, Mexico has failed to receive approximately 8 billion dollars in 1986, and this means a reorganization of economic policy and the financial relationship with other countries. Mexico has repeatedly stated that it is firmly determined to fulfill its international financial commitments. It has also stated that fulfillment of its commitments is also connected with its ability to repay; that to repay it needs economic growth. Insofar as there is stability on the international oil markets, insofar as oil prices increase, Mexico's ability to repay must also increase.

Question: Is Mexico fulfilling its repayment commitments at present?

Answer: In full. There is punctual repayment of the debts.

Question: Both to international organizations and to private banks?

Answer: Yes.

Question: Is your country negotiating with the IMF?

Answer: We are negotiating with the IMF, the World Bank, and the IDB. We have pointed out the need to have new funds from outside, and those talks are fortunately proceeding very well.

Question: Do you believe that the IMF is creating the right conditions for the economies' improvement?

Answer: I would point out that there is an important change in the IMF's philosophy, which is due to the persistence of a prolonged economic crisis. That crisis has led the IMF to reconsider the useful role it should perform, not to institute extreme austerity policies that cause a contraction of countries' capacity for growth; on the contrary, it is beginning to be accepted by the least dogmatic people in the IMF that it is essential to undertake a major effort to ensure that those economies regain the path of growth and can become strong economies again. The experience of the economic crisis in Latin America shows that the traditional remedies of an economic theory which was valid in other times is no longer applicable nowadays.

Question: Are you in favor of concerted action by debtor and creditor countries?

Answer: From our viewpoint, there is a joint responsibility of debtors and creditors, a responsibility and duty of them both to find a satisfactory solution to a crisis which has widespread repercussions on industrialized and developing countries.

FOREIGN SECRETARY SEPULVEDA VISITS NETHERLANDS

For NOTIMEX reportage on the visit to the Netherlands by Foreign Relations Secretary Bernardo Sepulveda Amor, including his meetings with Netherlands Prime Minister Ruud Lubbers and Foreign Minister Hans van den Broek, see the Benelux section of the 17 July Western Europe DAILY REPORT.

BELIZE

ESQUIVEL RETURNS FROM GUYANA, ISRAEL, UK

FL181509 Belize City Domestic Service in English 13100 GMT 18 Jul 86

[Excerpt] The prime minister, the Right Honorable Manuel Esquivel, yesterday afternoon returned to Belize after visits to Guyana, Israel, and London. In Guyana the prime minister attended the Caricom heads of government meeting. Prior to his visit to Guyana he was in Port-of-Spain, Trinidad, where he attended a meeting of Caricom finance ministers. From Guyana the prime minister traveled to Israel, where he met president Shimon Perez [title as heard] and held discussions on closer economic and technical cooperation between Belize and Israel. [passage omitted]

EL SALVADOR

DUARTE REJECTS DEBATE PROPOSED BY REBELS

PA191439 San Salvador Canal Doce Television in Spanish 1900 GMT 18 Jul 86

[Text] The president of the Republic said today that the government will not participate in the public forum proposed by the FMLN. In an exclusive and lengthy interview granted to our newscast -- which we will air tonight and in coming days -- the president referred to Joaquin Villalobos as a warmonger who does not understand democratic process. He said that the government will not participate in the televised forum proposed by the FMLN because it is an invitation to a confrontation. He also said that Villalobos, the top leader of the FMLN-FDR, is a warmonger (?and described Hugo Carrillo) as a deputy who does not yet want to define his political ideology.

[Begin recording] [Reporter] Is the government planning to participate in the forum proposed by the FMLN, and if so, would this not upset the preparations for the third dialogue? Do you already have a date and place for this dialogue?

[Duarte] You are asking three questions in one, so we will try to answer them separately. First, the FMLN proposed a debate, and the meaning of debate is confrontation. It means that each side will explain its view to try to impose them so that the people, the audience, can listen to them. As I said, there is a reason for this. It is propaganda. This shows that we are speaking a different language. They are speaking the language of propaganda [words indistinct] the language of the struggle of peace. A dialogue for peace has been mentioned. A dialogue to seek a way to avoid all this war, hatred, and rancor has been mentioned. [Words indistinct] increases this hatred, the confrontation, and the rancor. [Words indistinct] in which two sectors confront one another publicly, and the result of this is obvious: the explanation of controversial views. This is not the path to peace.

[Reporter] In your speech in Morazan you issued a separate call to Joaquin Villalobos and Shafik Handal. How do you view them?

[Duarte] One must recall history. One must recall that Villalobos [words indistinct]. One must recall the murder of [name indistinct]. One must recall all these things which show Villalobos' warmongering. One must also recall that Handal lived under and tried to participate in democratic process. Unfortunately, the (?gentlemen) of that era did not understand that the position of the Communist Party back then was that it did not want to join the guerrillas.

One must recall all the years, the almost 10 years of polemics between the Communist Party of yesterday, the Communist Party of (?these rebels), and the Communist Party of the Peoples Revolutionary Bloc. They were lengthy and great polemics reported in the university's newspapers and magazines, precisely establishing the difference between the revolutionary and violent war and the achievement of the struggle through peaceful coexistence; in other words, the idea of a revolution through peaceful coexistence and the victory of the people to have their demands met. This was the theory proposed by the [words indistinct] Communist Party of Handal, and in the end he was practically forced to join the guerrillas.

Therefore, there is a historic difference between the [name indistinct], the FPL [Peoples' Liberation Forces], and the Communist Party. It is this theory [words indistinct] together in the 1972 elections and that we had clearly understood the position that the country needed to take the path of social reforms and achievement, but without going beyond the limits of the democratic process; on the contrary, by strengthening this process. [end recording]

Duarte added that a commission on honesty was created and is investigating corruption cases. If charges are proven, officials will be dismissed regardless of who they are or what post they hold.

Spokesman on Debate

PA191408 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 18 Jul 86

[Excerpts] Roberto Edmundo Viera, deputy minister for culture and communications, as the only spokesman appointed by Napoleon Duarte, has continued to report to the news media about the third dialogue. In a press conference he said that no definite date has been set for this dialogue. He also said that it is impossible for the guerrillas to ask something and not accept President Duarte's proposal. Here is part of his press conference.

[Begin recording] The government and the Armed Forces have political and military powers, and the guerrillas have political and military powers. This is why we will sit down and hold a dialogue, they said. [passage omitted]

While the government wants to improve the economic structure, they want to destroy the economic strucuture and halt economic development. There is a debate in both the economic and political areas. We made a political proposal. We called for elections by the people. The people cast their votes and elected their government. Yet the rebels opposed the elections, and the government was elected. They oppose legal order. There is a political debate going on, and the people have assumed a definite stance, the people support the democratic process. So there is a debate, a discussion, a quarrel, a permanent feud with the FMLN. Let them not say there is finally, now, a national debate. The debate has been going on for a long time.

Dialogue is an entirely different thing. Dialogue is a mechanism for reaching positions through reason. Not so in debate, wherein each tries to outshine the other in force or power. He who succeeds in convincing the other wins the debate and the discussion. Not so in dialogue. Dialogue is a bet, the reaching of an agreement on specific points to find solutions for the country. This is a basic difference between a debate and a dialogue.

The democratic political organizations and the ruling party have never shunned public debate. We do not usually shun debate. But we will not lend ourselves to the staging of a political show. What the guerrillas want is to come here, put their people on the streets, have the UNTS [National Union of Salvadoran Workers] demonstrate, etc. If you would like to have a look at the UNTS statement -- I think it will be released today, or perhaps it was yesterday -- in two pages, you will see that all the demands are presented to the government, yet no demands have been presented to the FMLN.

The UNTS does not say in this statement: Gentlemen, stop destroying the economic structure; lay down your weapons; abide by the Constitution. No, not all. The demands are presented to a single sector, a single side. So they want to mount this political show and see if they can align the social organizations a little more closely with the FMLN demands. This is their strategy. They are not interested so much in the dialogue between the two power sectors which they demanded at the beginning as they are in trying to align the social and political forces a little more closely with their proposal. Nevertheless, they have already abandoned their question of the two powers. This is their current stance, generally speaking.

In principle, the government cannot accept their proposal as it has been presented, because this would amount to playing into the political show that they want to mount. [end recording]

Fronts Reiterate Proposal

PA210310 (Clandestine) Radio Venceremos in Spanish to El Salvador 0034 GMT 21 Jul 86

[Communique issued by the FDR Executive Committee and the FMLN General Command, dated 20 July in El Salvador]

[Text] The FMLN-FDR reiterate their willingness to contribute to creating the conditions to guarantee a favorable framework for the third session of the dialogue and for the search for peace. War is based on ideas and programs. A debate before the nation would enable the parties in conflict to divulge the ideas and reasons behind their actions.

On several occasions Napoleon Duarte has insisted that the FMLN-FDR are wrong. This debate offers Duarte the opportunity to prove this and to convince our fighters and the people in general that his ideas are the right ones. Would it not be a great contribution to peace to achieve a consensus of national opinion regarding the ideas of one of the parties?

We are absolutely sure that more than 90 percent of all Salvadorans are awaiting and are in favor of the debate we have proposed. The majority of the Salvadoran people want to see and hear, with arguments and reasoning, which is the warmongering program: the Christian Democratic Party's program, supported by the U.S. dollar and weapons, or the FMLN-FDR program, which rests on popular support. It should be proven in a debate.

Is there democracy in El Salvador? Who follows a peace policy? The FMLN-FDR is proposing a response to a popular need, not a debate to show off, as Duarte has said. What the people are demanding is a debate of ideas and reasons. The argument that this debate would violate the Constitution is unfounded. We believe that the search for peace is above the Constitution. In addition, our reiterated position on the subject of the Constitution is one of the topics we should discuss and uphold before the people in the televised debate we are proposing.

Were the La Palma and Ayagualo meetings constitutional? Duarte himself proposed the debate in San Francisco Gotera. He said that he wanted to talk to us face to face to convince us that we are wrong. A debate before the nation gives him that opportunity. Both the government and the High Command have said that we are deceiving our fighters. We tell them that the soldiers are the ones who are deceived and forced to fight. Will they refuse to comply with their duty of defending their ideas? Will they avoid the battle of ideas and reasons? Wouldn't the majority of the Salvadoran people prefer to see us confronting each other with ideas instead of bullets?

We have made a specific and realistic proposal of a debate before the nation. The debate would be broadcast on a radio and television network. We propose a delegation of four government representatives and four other representatives from our fronts. We propose that the government delegation be presided over by President Napoleon Duarte, Culture and Communications Minister Adolfo Rey Prendes, General Eugenio Vides Casanova, defense and security minister, and General Onecifero Blandon, chairman of the Armed Forces joint chiefs of staff. The FDR would be represented by Guillermo Ungo and Ruben Zamora and the FMLN General Command by Commanders Shafik Jorge Handal and Joaquin Villalobos.

In order to decide the operational aspects and coordinate the transmissions on radio and television and the method to be used in the debate, we propose the appointment of a coordinating commission that would include two government representatives and two from our fronts. A meeting would be held as soon as possible to lay the groundwork for the debate.

We will be waiting for an official reply from Napoleon Duarte, who as president and commander in chief of the Armed Forces has in his hands the option of deciding whether to agree to debate ideas or to disappoint the nation, which is waiting with great interest for this opportunity to clear up doubts, develop ideas, and further mature its political position regarding the conflict, which would undoubtedly contribute to the search for peace.

[Signed] FDR Executive Committee
FMLN General Command
El Salvador, 20 July 1986

GEN BLANDON COMMENTS ON EXPELLED AMERICANS

PA182304 San Salvador Domestic Service in Spanish 1800 GMT 18 Jul 86

[Text] General Adolfo Oneciforo Blandon, Chairman of the Joint Chiefs of Staff, Salvadoran Armed Forces, held a press conference this morning during which he referred to the foreigners expelled from the country. The government feels they violated immigration regulations and, particularly, endangered the lives of approximately 300 people who wanted to return to their places of origin, from where they had been relocated as the result of the country's conflict.

Gen Blandon offered apologies to the journalists for the Army's not permitting them access to Aguacayo, Suchitoto jurisdiction, after they had been called for a press conference.

[Begin recording] [Blandon] [Words indistinct] yesterday on the highway between San Martin and Suchitoto when the journalists honored my invitation for a press conference in Aguacayo. The journalists were to meet the 369 people that a group of Americans had taken with them -- without any authorization whatsoever -- to repopulate the area. This is what I refered to in the first place. Then I told you about what happened when I rallied the people of Aguacayo. I told them we did not object to their repopulating the area, because repopulation is part of a national plan. Nevertheless, we want an orderly, responsible repopulation. We cannot permit any people to leave a place and settle on someone else's land because these people will have serious problems later when the owners show up.

The situation was really serious, because people from the country's east and west, specifically from Santa Ana, La Libertad, and Usulutan Departments, who have no link to the Guazapa area, were among those in the group. These people did not even know why they had been taken there. They, however, were very understanding and receptive. The solution that we found was for the cooperative members from El Barillo to return to this site, repopulate it, and begin to cultivate the land. Perhaps they will be able to receive other peoples from the area who were also cooperative members. We were not adamant but flexible, and we permitted people from other cantons, such as El Libano, El Zapotal, and Palo Grande, to return to their places of origin. We told them they could return if they wanted to. We wanted only to control the situation, identify them, and determine their source of living for the future and how many children they have. This information is important for their own safety.

I also told them security is relative, because the terrorists have planted mines everywhere and that they should be very careful when they made up their minds to return to their homes.

[Unidentified reporter] General, will this control by the Army prevent guerrillas from infiltrating the area?

[Blandon] In part. We want to make sure that if anyone returns to his place of origin, he will return to stay for a long time, rather than for only some weeks or months. We must make sure these people will lead normal lives, so that they cannot be pressured by either side and can resume their work and make the country progress. As I told you at the start, this is part of the national plan. [end recording]

In the past few days the Salvadoran Government expelled 24 foreign citizens, including Americans, Canadians, and Australians, because, according to the authorities, they had exposed to danger a number of people relocated from zones in conflict. These people wanted to repopulate the Aguacayo area, Suchitoto jurisdiction. This canton is virtually the city's granary. The government said that the Americans were first detained in Suchitoto, then taken to the Treasury Police headquarters. Later they were taken to the Guatemalan border, accompanied by U.S. Embassy representatives. Thus, the expulsion was completed. Later, Gen Blandon was asked about this.

[Begin recording] [Reporter] General, the expulsion of the Americans will elicit negative criticism of El Salvador from abroad.

[Blandon] Foreigners' meddling in any country's national affairs would elicit criticism anywhere in the world. They violated our Constitution and bylaws, which must be respected.

[Reporter] What about the aspiration and even the right of these relocated people to return to their places of origin?

[Blandon] They are entitled. We are in the process of making this right a reality. They left their places of origin because of the conflict. We are making every effort so that they can return, but, as I have said, in a normal and orderly way.

[Reporter] What was the U.S. Embassy's reaction to the expulsion of these Americans?

[Blandon] I have not heard of any reaction from the U.S. Embassy. I can only tell you that the embassy responded positively by cooperating so that the Americans expelled could leave the country without incident. The U.S. Embassy sent two delegates to Suchitoto to witness the treatment accorded these Americans, both in Suchitoto and at the Treasury Police headquarters. [end recording]

GUATEMALA

CEREZO FAVORS 'CHANGE' IN NICARAGUAN REGIME

PA192200 Panama City ACAN in Spanish 2005 GMT 19 Jul 86

[Text] Guatemala City, 16 Jul [date as received] (ACAN-EFE) -- President Vinicio Cerezo does not like the Nicaraguan regime and favors a "change." Last night Cerezo participated in a televised debate with a group of newsmen organized by the Guatemalan Businessmen's Council.

"I do not like the current Nicaraguan regime," the president said on the eve of the seventh anniversary of the Sandinist revolutionary triumph. The president of Guatemala, a country which defends an "active neutrality" in the Central American conflict, came out "in favor of a change" in Nicaragua, although he explained that "it must be at a democratic level and not through violence."

Asked about the role of the United States in the regional conflict and the aid to the contras, Vinicio Cerezo said without giving details: "Guatemala maintains an attitude of prudence and neutrality, but an empire (imperio) must accept its responsibilities."

"Our position does not run counter to the framework of the Contadora Group or the idea of creating the Central American parliament to seek a solution to the regional political and economic conflict," the president added.

QUINONEZ CONDEMNS SALVADORAN EXPULSION

PA190434 Panama City ACAN in Spanish 2200 GMT Jul 86

[Text] Guatemala City, 18 Jul (ACAN-EFE) -- Foreign Minister Mario Quinonez Amezquita today condemned the expulsion from EL Salvador of 23 foreign clergymen [as received] who had been held for 2 days. "Although we still do not have information on the reasons for expelling the U.S. clergymen, it is a deplorable action," Quinonez Amezquita said

The foreigners, 19 U.S. citizens, 2 Canadian citizens, and 2 Australian citizens, were arrested on Tuesday when they were accompanying 600 peasants who were seeking to resettle. The foreigners were deported to Guatemala yesterday.

Quinonez said: "We know they held them someplace in El Salvador and expelled them to this country. However, I think that if they arrived here it is because they had Guatemalan entry visas. Otherwise, we would not have let them enter." He added: "Any persecution of the Catholic Church because of its humanitarian and pastoral mission is unwelcome." "We believe persecution of the church is unacceptable, no matter where it comes from," the Guatemalan foreign minister said.

HONDURAS

LOPEZ ON CONTADORA PROSPECTS, C.A. MEETING

PA182245 Tegucigalpa Televisora Hondurena in Spanish 0100 GMT 17 Jul 86

[Interview with Foreign Minister Carlos Lopez Contreras by unidentified reporter in Tegucigalpa on 17 July -- recorded]

[Text] [Lopez] The Costa Rican foreign minister has said essentially that we exchanged views to identify the opinions that may help us in the search for a mechanism to hold a political negotiation and thus avoid conflicts among states, given the current situation in Central America. Personally, I do not believe there is any explosive situation among our states; however, some of the states do have internal problems.

We are doing this given the position assumed by the Contadora Group, which stated during its last meeting, in Panama City on 6 June, that their proposals concerning substantial topics are included in the document and added that this exhausted their capacity for diplomatic negotiations. This does not mean that the group cannot renew the initiative, but since we are responsible for our countries' positions, we cannot forget the Central American situation. Consequently, we are trying to find a consensus for renewing the diplomatic initiative. This effort may be exerted by three of us right now, by four of us tomorrow, and eventually by the five of us.

[Reporter] Mr Foreign Minister, it was reported yesterday that two Nicaraguan citizens... [corrects himself] rebels had sought asylum at the Honduran Embassy in Managua. Can you confirm this report?

[Lopez] Yes, I received some information about this, but not much. I spent little time at the Foreign Ministry yesterday because I met with two foreign delegations which visited the country, and I have been with the foreign ministers today. However, I did receive some information 2 days ago, or over the weekend. I was told that two Nicaraguan citizens had sought asylum at our embassy in Nicaragua. That is all I can tell you.

[Reporter] What is the government going to do [words indistinct] this case?

[Lopez] Look, we have instructed our ambassador there... [corrects himself] our charge d'affaires there -- because our ambassador has not arrived yet in Managua -- to give them the guest status while we decide their legal status.

EPS REPORTEDLY SHELLS 4 BORDER VILLAGES

PA190425 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 17 Jul 86

[Text] Yesterday Sandinists shelled four villages in EI Paraiso, which is located along the border with Nicaragua. The Sandinists aimed their mortar launchers at the other side of the border. The dormant fears of Arenales, Amparo, Espanol Grande, and La Esperanza residents were awakened yesterday between 1030 to 1100 as several mortars were launched from the other side of the Honduran-Nicaraguan border.

We repeat: The residents of the villages of Arenales, Amparo, Espanol Grande, and La Esperanza were awakened yesterday between 1030 and 1100 when several mortars were launched from the other side of the border between Honduras and Nicaragua. The area residents refer to these bombs as fireworks because of their characteristic explosive sound. As of last night no personal injuries had been reported. However, the powerful mortars caused partial damage to the properties of farmers in Arenales, Amparo, Espanol Grande, and La Esperanza, which the EPS soldiers shelled yesterday.

SOLDIER KILLED BY SALVADORAN REBEL MINE

PA181641 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 18 Jul 86

[Excerpt] A soldier of the 12th Infantry Battalion was killed and another wounded yesterday when they stepped on a homemade mine placed by Salvadoran guerrillas in Los Pinos, La Virtud, in Lempira Department. According to Colonel Jose Vanegas Medina, commander of the 12th Infantry Battalion headquartered in Santa Rosa de Copan, Santos Ovidio Cuellar, a member of this battalion, died yesterday morning. Meanwhile, 1st Sergeant Edgardo Chacon Ramirez, a member of the Special Forces with headquarters in La Venta, Francisco Morazan Department, was wounded when the mine exploded.

According to Vanegas Medina, the Special Forces were patrolling the country's western border region when the incident occurred. [passage omitted]

STUDENTS PROTEST OUTSIDE NICARAGUAN EMBASSY

PA191556 Panama City ACAN in Spanish 1544 GMT 19 Jul 86

[Text] Tegucigalpa, 19 Jul (ACAN-EFE) -- About 5,000 secondary school students staged an anti-Sandinist demonstration today in front of the Nicaraguan Embassy in Tegucigalpa. The FSLN flag and an effigy of Nicaraguan President Daniel Ortega were burned in front of the embassy. The demonstration takes place on the day Nicaragua is commemorating the seventh anniversary of the Sandinist victory.

The presence of the police near the embassy prevented some unidentified individuals riding in a vehicle from shooting at the demonstrators. Although they were pursued, the individuals managed to escape. The demonstrators shouted slogans such as "Communist trash, get out of Honduras," "Sandinist embassy, terrorist center."

Throughout the 30-minute assembly, the speakers criticized the Managua government for suppressing public freedom and the Catholic Church. All the events were filmed by the security staff of the Nicaraguan Embassy in Tegucigalpa.

NICARAGUA

NATION MARKS SANDINIST REVOLUTION ANNIVERSARY

Foreign Delegations Noted

PA180339 Managua Radio Sandino in Spanish 1200 GMT 17 Jul 86

[Text] A total of 86 delegations from friendly international organizations and governments will attend the main rally to celebrate the seventh anniversary of the victory of the Sandinist people's revolution, Commander Carlos Nunez Tellez announced yesterday in Esteli, when he was visiting the Rufo Marin Plaza and stadium in that city. The president of the National Assembly said that everything is ready for the seventh anniversary celebration and that very strict security measures will be enforced during the ceremonies to prevent the infiltration by mercenaries. The delegations attending the victory celebrations are from Western Europe, Latin America, and the Caribbean, as well as members of the OAS and of the ECC, Commander Nunez said. He also said that on 19 July in Esteli President Daniel Ortega will decorate workers and vanguard enterprises of the country with the Jose Benito Escobar Award.

The workers to receive the Jose Benito Escobar Award are: Julian Salina Cruz, vanguard at the national level in the field of tobacco 1985-86, and Arturo Gutierrez, vanguard in the field of coffee in Region 1. The vanguard enterprises to be given this decoration are: the Laureano Mairena Enterprise, the Gaspar Garcia Laviana Enterprise, and the Heroes and Martyrs of the (Posodera) Brigade of the (Dinampi) project in San Pedro del Norte.

[Begin Nunez recording] There will be delegations from Canada, South America -- Panama, Mexico, Colombia, Venezuela, Argentina, Brazil, and Uruguay -- from the Caribbean there will be delegations from Suriname, Guyana, and Jamaica; from Western Europe there will be delegations from Great Britain, France, Sweden, Norway, Finland, Greece, Switzerland, Belgium, the Low Countries, and Spain; from the socialist countries there will be delegations from the USSR, Czechoslovakia, Vietnam, Hungary, GDR, Romania, Korea, Albania, Cambodia, Laos, Mongolia, and Bulgaria; and from Africa and Asia there will be delegations from Yemen, Ghana, Algeria, Turkey, Pakistan, and the Saharawi Arab Republic, the People's Democratic Republic of Yemen, the Islamic Republic of Iran, Australia, Cape Verde, Mozambique, Libya, Tanzania, and the Congo. The following international organizations will send delegations: the OAS and the EEC.

Among the dignitaries attending the 19 July celebrations we point out the participation of: Dr Mohamed Shahabuddeen, vice president, first deputy prime minister, and attorney general of Guyana; Miroslav Toman, vice president and minister of agriculture and food of Czechoslovakia; Companero Shamshin, minister of communications of the USSR; Kam'al Hasan Mansur, secretary of the Central Committee of the People's Bureau for Foreign Liaison of Libya; Companero Kim Yong-Chae, communications minister of the DPRK, member of the Central Committee, and vice president of the Korean-Soviet Friendship Institute; Companero Maisouk Saisompheng, member of the Central Committee and minister of industry, handicrafts, and forestry of the Lao People's Democratic Republic; Companero Kurt Seibt, chairman of the central commission of the [words indistinct] and chairman of Committee of Solidarity with the Peoples and secretary of the Central Committee of the words indistinct] of the GDR; Companera Elena Lagadinova, member of the state council and of the Central Committee of the Bulgarian Communist Party and chairman of the Bulgarian Women's committee;

Senator Salvador Rene Castillo, secretary of the Mexican Senate's Grand Commission; Companero (Harry Benaval), chief of the cabinet and presidential adviser, [country not specified]; [name not specified] secretary general of (?OAU); Companero (?Karolos Papoulias), chief of the cabinet and foreign affairs of Greece; Companero [name indistinct], vice minister of agriculture from Mongolia; Companero (Muhammad 'Ali Ahmad) foreign minister [title as heard] of the People's Democratic Republic of Yemen; and Companero (Anton Chirini) from the EEC. [end recording]

Security Precautions Imposed

PA191555 Panama City ACAN in Spanish 1505 GMT 19 Jul 86

[Excerpts] Esteli (Nicaragua), 19 Jul (ACAN-EFE) -- Esteli, in northern Nicaragua, was under complete military control early today to prevent any rebel attack during the celebration of the seventh anniversary of the Sandinist victory. A visible military presence was observed throughout this city, 150 km from the capital, hours before the start of the Sandinist celebration, slated for 1000. Eight tanks were parked at the entrance to the city, while special military deployment was evident in the downtown sector, with checkpoints at every intersection of the urban zone.

The Sandinists built a stadium in the southern sector of the city to commemorate this holiday. The Army set up four tents near the stadium early today. Very strict military vigilance is being carried out by young soldiers on the Sebaco-Esteli road. The two bridges on this route are heavily guarded by Sandinist troops. In addition, several military contingents are combing the area surrounding Esteli in a search for rebels.

Three military helicopters are continuously flying over the city of 40,000 inhabitants, as well as its outskirts and nearby mountains. A Sandinist officer told ACAN-EFE: "Everything is under control."

Young soldiers and security agents in plainclothes are watching over the city's plaza, as well as its streets and eight restaurants. At the entrance to these restaurants, the security agents are carefully checking people's documents, especially those of foreigners. One agent said: "We are doing this for security reasons, to prevent any terrorist act." [passage omitted]

A Sandinist officer told ACAN-EFE that the military control of Esteli makes any surprise attack by the contras "impossible," regardless of its origin. Carlos Manuel Morales, minister-delegate of the Presidency in this city said: "The counterrevolution cannot attack this city to hamper the seventh anniversary celebrations." [passage omitted]

Ortega Speech

PA192230 Managua Domestic Service in Spanish 1754 GMT 19 Jul 86

["Message of the FSLN National Directorate and the government to the people of this victorious Nicaragua" delivered by Daniel Ortega Saavedra' president of the republic and commander of the revolution, in Esteli on 19 July -- live or recorded]

[Text] On this occasion we must first greet those who have come a long way, those who have come from other countries to speak, to ratify their solidarity with the Nicaraguan people. [applause]

We are commemorating the seventh anniversary of the victory of the revolution in Esteli -- Esteli as a point of reference of Region 1, as a point of reference for all of Nicaragua on this seventh anniversary. It is easy to understand why we decided to celebrate this anniversary here in Esteli. It represents the moral recognition of the residents of Region 1, the residents of Las Segovias, the residents of Madriz, the residents of Esteli, who were not only outstanding in the struggle against the Somoza dictatorship, but who have also shown great determination, tenacity, and heroism in defending the Sandinist people's revolution during these 7 years that we have been the target of daily attacks by the U.S. leaders.

Here in Esteli we are a few kilometers from the Honduran border. We are 35 km from the Honduran border. To say that we are 35 km from the Honduran border is to recall that in that border area are the camps of the U.S. mercenary forces. The mercenary attacks on the Nicaraguan people have come from these camps. Those camps have been stealing territory from the Honduran people, following orders of the U.S. Government. The mercenary forces have settled in those camps to rob, attack, and murder the Hondurans who live in the area. From those camps, hundreds of criminal attacks against the Nicaraguan people have been launched. From those camps, the mercenary forces have come to destroy the agricultural warehouses in this Region 1. Three agricultural warehouses have been destroyed by these mercenary forces in Region 1.

The mercenary forces have come from there to destroy bridges. Six bridges have been destroyed by the mercenary forces in this region. They have also destroyed seven schools. They have destroyed two health centers. They have also destroyed 47 tobacco (?drying) houses. They have caused damage worth over 500 million cordobas in the tobacco (?drying) houses alone. They have affected production in 248,000 manzanas of this area. They have kidnapped over 500 peasants. They have destroyed cooperatives and murdered thousands of residents. How have the people of Region 1 -- the people of this region -- replied to these terrorist actions, these aggressive actions that are being launched from the mercenary forces' camps that the U.S. maintains in Honduras?

We have one example in the (?Kibutz) cooperative located in the San Juan del Rio Coco municipality, which was attacked and destroyed by the mercenary forces in 1984. The cooperative was rebuilt and was again attacked in 1986. The mercenary forces destroyed 19 houses. They destroyed a children's dining hall. They destroyed vehicles. However, the mercenary forces were unable to occupy the cooperative, because they were confronted with the firm resistance of the residents of that cooperative, the workers of that cooperative. In spite of the attacks, in spite of the fact that this cooperative is in the border area, it continues producing, it continues rebuilding what the counterrevolutionaries have destroyed. The cooperative continues building what the counterrevolutionaries have tried to bury forever.

In the same manner, we can continue mentioning dozens of cooperatives, dozens of towns like (Flor de Cacinete) and Jalapa, which are symbols of heroism, of resistance of the people of Region 1. To resist imperialist aggression here in Region 1, in an area along the Honduran border where the mercenary camps are located, naturally demands great firmness and great determination, and that is the firmness and determination that the people of Region 1 have always had.

They were outstanding in the struggle against Yankee intervention when Sandino fought and defeated the intervention. The Sandinist fighers of those days came from this region; generals from Sandino's general staff came from this region; Sandino's army of barefoot peasants came from this region, and they defeated intervention in Nicaragua. [applause]

This spirit is the same fighting spirit of the entire Region 1 in the struggle against Somoza's dictatorship. The battles against the Somoza dictatorship that occurred throughout this region are very well known, from the very beginning of that silent battle when the Sandinist Front was being organized in Esteli, in San Juan de Telpaneca, in Ocotal, up to the insurrections that incorporated all of the people and made this victorious Esteli three times heroic. [applause]

We are discussing the heroism of Region 1, which is a symbol of the heroism of all Nicaragua, all the peasants, laborers, youths, workers, patriotic producers: all Nicaragua. And we are discussing the aggression. We would like to talk about aggression in the past tense and devote this meeting to the discussion of production, education, and health. However, the aggression is a fact. It has not ceased. There is the threat that it will get worse. We are commemorating this seventh anniversary amidst the aggression, which has already claimed 31,290 victims throughout the country. All Nicaraguans who suffer the effects of the aggression as they justly defend their country are victims, just as those Nicaraguans who are used as mercenary forces to murder thier own people are victims. The 31,290 victims of the aggression include 16,925 Nicaraguans who became involved in the mercenary forces and fell under the fire of the Sandinist fighters, and 14,260 true Nicaraguans who became victims of the mercenary aggression as they defended sovereignty and self-determination. The total number of victims sustained by the Nicaraguan people includes 879 children under 12, 879 children under 12 [repeats himself] who are victims of the U.S. Government's aggressive policy.

We asked before: What is the outlook of the aggression? The outlook is more aggression, not because we want it that way, but because the U.S. Government is intent on continuing the war, continuing the aggression against the Nicaraguan people. Over the past several days, when $100 million was approved for the mercenary forces, when approval was received to send arms to the mercenary forces, when approval was received to send military advisers to the mercenary forces, the U.S. Government has put forward a plan to destroy the Nicaraguan revolution. It intends to do the following, and this was announced by U.S. Government spokesmen: In this new phase, when we -- they say -- are turning over to the mercenary forces $100 million, arms heavy armament, all kinds of weapons, when we are sending U.S. military advisers, what objectives must we pursue? The U.S. Government's strategists of death ask:

1. Substantial escalation of military actions throughout Nicaragua, possibly including attacks in the capital. They intend to escalate military actions everywhere, including Managua.

2. More disciplined combat with fewer civilian victims and human rights violations by the contras. With this point the U.S. Government is admitting that the contras violate human rights. (?All of this) has been one big example of a human rights violation. However, the U.S. Government naturally denies this, because in being the contras' sponsor it is the principal violater of human rights.

3. It [the U.S. Government] plans to expand the so-called insurgent forces and to invigorate the internal opposition of the [word indistinct] to invigorate the internal opposition of the [word indistinct].

4. Fissures in the Sandinist leadeship. It believes it can cause divisions within the FSLN.

And finally, through a number of actions, they expect to contain to a certain extent the help from the Soviet bloc to Nicaragua, to limit, reduce that held from the so-called Soviet bloc.

Who is masterminding these criminal actions? Mr Elliot Abrams will be in charge of the aid program; and Colonel William (Sickon), Jr, and Mr (Oliver Naught), of the National Security Council, in conjunction with the Pentagon will turn over those matters pertaining to the technical aspects of the covert actions in Nicaragua to intelligence director (Vincent Canestrabo), who has been called a technocrat loyal to the CIA.

This is the U.S. Government's proposal. This is the peace proposal from the U.S. leaders for Nicaragua, for Central America, and for the world, so that the mercenary forces can continue killing teachers, doctors, nurses, students, experts, workers, and peasants in Nicaragua. The mercenary forces have killed 103 teachers, have wounded 13, and have kidnapped 30: a total of 146 victims; 5 doctors have been killed by the mercenary forces, 5 wounded, and 4 kidnapped: a total of 14 victims; 3 nurses have been killed, 4 wounded, and 6 kidnapped: a total of 13 nurses who have been victims of the U.S. Government's terrorist actions; 293 students have been killed, 9 wounded, and 24 kidnapped: a total of 326 student victims; 103 experts killed, 37 wounded, 47 kidnapped: a total of 184 experts who have become victims of the U.S. Government's terrorist actions; 194 workers killed, 63 wounded, 149 kidnapped: a total of 406 workers who, because they were working in the war zones, in communications, building roads, in agricultural activities, have become victims of the U.S. Government's terrorist actions; 21 professionals killed, 14 wounded, and 6 kidnapped: a total of 41 professionals who became victims of mercenary attacks; 420 peasants killed, 143 wounded, and 397 kidnapped: a total of 961 [figure as heard] victims among peasants who were working the land, planting, and harvested; 4 leaders of mass organizations have been killed, 7 wounded, and 2 kidnapped: a total of 13 companeros; 40 drivers have been killed, 15 wounded, 15 kidnapped: a total of 70 companero drivers who have been victims of terrorist attacks; 29 FSLN members and militants killed, 9 wounded, 8 kidnapped: a total of 46 victims. We could continue giving you a long list of Nicaraguans who have become victims of these terrorist actions. A total of 2,270 houses, 565 buildings, 58 schools, 11 child development centers, 291 transportation means, trucks, and other vehicles, 2 health centers, and 29 health posts have been destroyed. We could also continue giving you a long list of people's property that has suffered the effects of the imperialist attacks.

This is why we were saying that we cannot stop talking about the aggression. These are the results so far. However, Reagan wants to increase the number of victims in Nicaragua, hence his terrorist warmongering plans to increase the number of victims in Nicaragua. What should we Nicaraguans do under these circumstances? Should we remain silent and not protest? Should we remain silent in order to annoy President Reagan? [crowd answers: No]

At times some of our friends have recommended that in face of Reagan's unjust, arbitrary, and criminal actions we should remain silent or reply in a different way. In other words, they want [word indistinct]. They do not want us to protest, not even the U.S. Government's arbitrary and barbaric actions against Nicaragua. We cannot remain silent, and therefore we went to the International Court of Justice [ICJ]. We went to the ICJ to present Nicaragua's case. We acted correctly. We act, we have acted, and we will continue to act in accordance with the law. In any society, in any country when there is a dispute, problems, or conflict, if two neighbors cannot reach an agreement and have problems, if a neighbor feels he has been attacked by another neighbor who has stolen something from him or who has committed a specific crime against him, what can be done? In such cases the law is consulted. Judges are consulted, so that they can decide on the case.

And this is what we have done, because there are international tribunals for debates, for discussion of this kind of problem between nations. We went to see the judge, we went to the ICJ. And what did the U.S. Government do? Did it go to the judge? Did it accept the law? What the U.S. Government did was to ignore the law. It did not go to the judge, it acted as a criminal, who does not accept justice and does what pleases him, in violation of the laws.

The ICJ ruling was announced on 27 June. It is a very clear ruling. Who is guilty? Who is guilty? [crowd shouts: "Reagan!"] Who is guilty? [crowd shouts: "Reagan!"] We say this here, and it was also said by the ICJ, and the world, and the U.S. people have admitted this. However, Reagan has not admitted this, because Reagan is acting like a criminal. If he does not wants us to call himn a criminal, he should respect the ICJ ruling. [applause; crowd shouts: "People's power!"]

The... [crowd interrupts, chanting slogans] The ICJ ruling is there, and it says clearly that the U.S. rulers are responsible for the crimes in Nicaragua, that they are violating the laws, the Nicaraguan people's human rights. However, the U.S. rulers have said they will ignore the ICJ ruling. By contrast, they have decided to approve the $100 million, the sending of weapons and advisers. The have formed a kind of high command, a sort of high command with these sinister persons we have mentioned in order to continue their terrorist policy against Nicaragua.

Therefore, at the same time, we have continued to defend ourselves internationally, in the same measure. We will continue to resort to the laws and will continue going to the ICJ. We must do something for the country, because had we taken a rest and entrusted the defense of the revolution to the international organizations, had we not prepared our defense, had we not obtained weapons, what would have happened here in Nicaragua? Would we have a revolution now, under these circumstances? [crowd shouts: "No!"] Of course not, there would not be a revolution under these circumstances. Reagan has sought to attack us, to weaken us, to attack and disarm us, to attack disarmed pople. Therefore, we have had to take measures, very specific measures here in Nicaragua to face the aggression, the resist the aggression, to defeat the aggression as it has been resisted and defeated in this Region 1.

And what has been the first task, the first big task? Defense. What is the meaning of defense? The rifles in the hands of whom? [crowd shouts: "Of the Nicaraguan people!"] In the hands of the people, the peasants, laborers, women, all the Nicaraguans who are determined to defend their revolution.

And since there is awareness, decisiveness, firmness, and rifles here, we have been able to fight the aggression successfully, and defeat the aggression. We are defeating it every day, we are defeating the aggression today, when we are celebrating this seventh anniversary. And Reagan dreamt that we would not celebrate this anniversary in Nicaragua. [crowd shouts: "Here and there the Yankee will die!"] [At this point the station announcer says: "We want to tell you that this transmission is being aired through the Intersputnik to six countries."] Along with the organizational and military measures for the defense of the revolution, we also had to take measures in order not to give our enemies -- those who want to destroy the revolution -- the chance to develop an internal front in our country. That is why we had to implement the state of emergency. It is a state of emergency to face the aggression. It is a state of emergency to face the war that the United States(?wants to impose). The state of emergency has not been established to radicalize the process. That is not the reason for the state of emergency. The state of emergency was established to defend the revolutionary process. The state of emergency was not established to end political pluralism and the mixed economy. The state of emergency was established to preserve political pluralism and the mixed economy within the institutional framework.

In other words, within the boundaries of the institutional framework one can think as one pleases, one can disagree with the government and the FSLN, and it is not a crime. It is not a crime. But to step out of the boundaries of the institutional framework and become allied with those who are attacking Nicaragua, that is something else. How are people like that known in history? They are known as traitors.

A few days ago in the United States a North American named Richard Miller was convicted and given two life sentences plus 50 more years in prison. Imagine what kind of sentence that is: two life sentences. In Nicaragua the maximum term is 30 years, while life imprisonment supposedly means until death. Imagine, this man has to die, be born again, serve another life sentence, die, born again, and serve 50 more years. Why? Why did he receive such terrible sentence? He was accused of spying. He was accused of being a spy.

Well, what has the United States done in war situations? For example, when World War II occurred and the United States was facing fascism, what did it do? What did the United States, which was not being bombed directly -- the bombs were being dropped on Europe and the Soviet Union -- do? It put thousands of Japanese in jail. All Japanese residing in the United States were taken to jail. They were taken to jail even if they had been born in the United States. They even took children to jail. They took entire families to jail. They built large concentration camps with barbed wire and all. That's where they took Japanese citizens; and only because they were Japanese and Japan was an ally of Germany.

It was a truly cruel action, but the United States justified it because, well, it was at war. What else did it do? There was a U.S. literary genius, (Ernest Labon). He is dead now. Using what North Americans referred to as freedom of thought, (Labon) gave a speech against the U.S. Government over an Italian radio station -- back then when Italy was part of the fascist alliance. For making a speech against the United States over an Italian radio station at a time when Italy was allied with fascism, he was tried and put in prison. Horrible things happened to him.

In Nicaragua, defending with all justice the revolution attacked by the United States, we have not committed and will not commit any barbaric actions as were carried out in the United States. We are saying this because now that we are applying the emergency laws, when we decided to temporarily close LA PRENSA and to keep a certain bishop and priest [applause] out of the country, the United States wants to present us as trampling on freedom of the press and the church. This is how they want to present us -- a government carrying out hasty actions against freedom of the press and the church. This is how they want to present us. They want to portray us like that in the United States, and Reagan shows up expressing regret for the measures that Nicaragua has taken.

We have adopted these measures justly, because the newspaper LA PRENSA is and has been financed by the CIA. Thus, this falls within the realm of treason. The truth is that the owners of LA PRENSA, who even went to the United States to lobby for the $100 million to murder Nicaraguans, should actually have been sent to prison, prosecuted, and given 30-year sentences, which is the maximum sentence in Nicaragua. We would not have sentenced them as traitors and spies are sentenced in the United States. [Words indistinct] that is the least they deserved: 30 years in prison. [applause; crowd chants slogans]

We would have to say the same about the behavior of some of the hierarchy of the church. [Words indistinct] mild measure. Another measure that we could have taken, which would have been legal.... [changes thought]

We have disregarded the law somewhat, because according to the law the owners of LA PRENSA, who have been receiving money from the CIA and who have gone to the United States to lobby [preceding word in English], to voice their opinion in favor of the $100 million, Bishop Vega, and Mr [Bishop] Carballo should be in prison with 30-year sentences handed down by the anti-Somozist tribunals. That would be just. [applause, crowd chants slogans]

Logically, this does not mean under any point of view that we are persecuting the press as such. We defend freedom of the press. Nor does this mean that we are persecuting the church. We are not persecuting the church. We have never persecuted the church, nor will we ever persecute it. We are (?saying) this because there have been many telegrams, many messages concerning the issue of the bishop. There has been some concern. However, I want to read you this:

In Central America, in the years since the triumph of the Sandinist revolution, in these years 138 members of the clergy, including priests and nuns, have been murdered: 138 members of the clergy, including a bishop. None of the 138 members of the clergy who have been murdered have been murdered in Nicaragua -- not one. [applause] A total of 268 members of the clergy have been listed as missing or kidnapped. None of those 268 members of the clergy were listed as missing or kidnapped in Nicaragua. [applause] That means that the church and the clergy are victims of terrorists, aggressive policies that the U.S. Government of backs in other Central American countries, but not in Nicaragua. As we said, there has not been and there will never be religious persecution here.

When we discuss internal measures to defend the revolution, particularly the military defense of the revolution and our ability to organize and counter any kind of aggression by the U.S. Government, we are also referring to the need to promote production with more efficiency and discipline. In discussing production, we must discuss the problems Nicaragua is experiencing regarding production. These naturally include supplies, because if we are having trouble with production, we will naturally have trouble with the distribution of resources among all Nicaraguans.

This year's corn harvest was not good. This means that there will not be much corn or beans to distribute. The coffee harvest was also affected. The effects of this will be noticed. We must realize that we are facing not only the criminal war that the United States is waging at the military level, but the criminal war that the United States is waging at the economic level as well. It blocks loans and internal assistance. It makes efforts to prevent Nicaragua from getting assistance, to make the Nicaraguan people suffer, to make the people resentful, so that the people will begin to say that all the revolution brought was hunger and poverty, so tht the people will deny the revolution and be willing to receive the Yankee soldiers, the mercenary forces, and the former Somozist guardsmen. Therefore, production has become a target of the terrorist policy of the U.S. Government.

We must take over the production tasks with great discipline. There are examples in this region of how the workday in the fields has increased to 7, 8 hours, and even more. That is what we need in all of Nicaragua. We need for the workdays everywhere to increase, so we will be able to produce more, and produce more effectively, and we will have more to distribute in these difficult moments of fighting against Yankee intervention. [applause]

The Sandinist Assembly has thoroughly discussed this topic with the National Directorate, that is, the topic of production, the topic of supplies. We are able to say now -- and everyone is aware of tis -- that is a problem we will have as long as there is war, as long as there is aggression.

We know we will have to make very special efforts to produce more effectively, to make better use of material resources, to make better use of human resources. We will also have to make efforts to distribute products better. We must admit we still have our faults, our deficiencies in the distribution of products.

We can and should solve these deficiencies. All of us must assume these tasks. These tasks should be assumed by the institutions, Micoin [Ministry of Domestic Trade], the mass organizations, the workers organizations, the cooperatives, everyone together, we must all assume these tasks of distribution. [We must learn why] the products did not arrive on time, or there was not enough.

The corn harvest was poor. Now then, the little corn there is must be distributed with justice. What does distribute with justice mean? What does distribute with justice mean in these war conditions? Who should receive food first? The fighters. In the first place, we must send food to the fighters, and later on, to whom should we send food? The workers, the peasants who are producing, the workers who are in the factories. Food must be sent to the workers. We must understand this very clearly.

The companeros who are not directly involved in productive tasks will feel, or are already feeling, the effects of this lack of supplies. There is a supply shortage, because the supply is very low compared with the high demand.

Everybody now has a right to demand rice, beans, cooking oil, and soap; everybody now has a right to demand things. Naturally, when the reporters talk to the people and hear the people demanding, they think: This means the people are against the revolution, because the people are making demands. They do not realize that the people are now making demands because this is a right achieved by the revolution. Naturally, when one visits other neighboring countries, for example, where the people are hungry, where the people are suppressed, they do not hear people making demands or protests; people do not demand things from the government, because the government does not give the people the right to make demands.

That is what happened before in Nicaragua. Could it be said here, in Nicaragua, that before the people were overstuffed with so much food? [crowd answers: "No"] Who was overstuffed with so much food before? [crowd shouts indistinct words] But could the people make demands of the government in the times of Somoza? [crowd shouts: "No; It would get you in jail"] Of course,, it would get you in jail. The people were thrown in jail for anything, and it would get you murdered.

For example, workers' demonstrations in Honduras or Costa Rica are suppressed. The banana company workers who have staged demonstrations in Costa Rica have been murdered. The same thing happens in Honduras. Here, the people have a right, have an obligation to demand food. All Nicaraguans have a right to demand food. All Nicaraguans have a right to demand food [applause; crowd chants]

Therefore, we are obliged to distribute the food we have. If we have an abudance of food, we will distribute it in greater amounts. If we have less food, we will distribute it in lesser amounts. As we have said, we will first distribute food to the fighters. In the second place, we will distribute it to those who are producing in the fields, cities, production centers, factories, cooperatives, state enterprises, and then, the other companeros who are in the service sector, which is an important support. We cannot say they are not producing. They are also part of our production. We must have some order, priority, and they have priority.

This means that we will make greater efforts to improve distribution of staples. We will adopt stronger measures to fight the institutional deficiencies we are detecting, and we must overcome them. We must create truly efficient mechanisms of distribution.

However, we must also fight speculation. We must fight the big speculator, and we must fight the small speculator. There are times when we all become speculators. We receive a product from CAT [Worker's Supply Center] or (?CEI) [not further identified], and we turn around and resell it. Then we see the product being sold in the market at a very high price. Therefore, we must put forth efforts to fight speculation everywhere and from every direction. [applause]

The immediate future, now that Reagan has these plans against Nicaragua, is one of difficulties; is it greater to surrender because we are hungry? [crowd shouts: NO] Are we going to give in just because we have problems with the supply of food and because we do not have food? [crowd shouts: No] We need to strengthen this awareness to survive even under the worst circumstances; to carry a rifle in one hand -- in the face of the aggressor -- with a mouthful of food in the other while defending the homeland and revolution. Because here in Nicaragua we are defending the bulwark of democracy in Latin America. [applause]

We understand democracy totally. It would be worthless to speak of democracy here and hold elections every year or two and do nothing specific for the good of the people. What good would be achieved if we were to hold elections every year, every 2 or 5 years? What would we achieve? [crowd shouts: Nothing] What do other countries achieve by holding elections every 4 or 5 years if they cannot resolve the problems of the peasants, laborers, and workers? Here we practice total democracy and total democracy does not only mean elections every so many years. Total democracy means giving the people education, that is democracy, giving the people an education; giving the people health is democracy; housing for the people is democracy; land for the people is democracy.

From the day the revolution triumphed, until today, here in Nicaragua we have given the peasants 2.8 million manzanas of land. [applause] This equals 1,971,831 hectares. This means that in these past years we have given the people almost 2 million hectares. In these Central American countries, during the 1960's after the Cuban revolution triumphed, alleged agrarian reforms were implemented. Even Somoza implemented a mock agrarian reform.

Just think about this: If we were to add the amount of land quote given unquote -- because they give and later take back or distribute it among themselves; that is their type of agrarian reform -- in all the Central American countries, not including Nicaragua, we would get a total of 1.4 million hectares. In Nicaragua, in 6 years of revolution, we have distributed almost 2 million hectares and those othe Central American countries, since their beginning as countries, have distributed 1.4 million. This is democracy. [applause]

If they want to compete with Nicaragua I would invite Honduran President Azcona to compete with us in the area of peace; that we compete to see who will give the peasants more land; that President Azcona give the Honduran peasants land; [applause] that he touch the pockets of the 28 percent of the large landowners he has in Honduras; that he take land and distribute it among the Honduran peasants who need this land.

The Costa Rican Government, President Arias, should do the same thing; 41 percent of the land in Costa Rica is in the hands of large landowners. President Arias should distribute this land among the peasants, the poor, and the downtrodden who are demonstrating and demanding land, but all he does is order the Costa Rican guardsmen to beat them and even kill them. Let us compete in that area, in the area of health, education, housing, and then we will be creating democracy. [applause and chanting slogans]

We have defended and will continue to defend this democracy, even if President Reagan or certain Central American leaders do not like it. We will continue to defend this democracy. We say that we will continue to defend it, because it is part of the cause of Latin America; because Latin Americans... [changes thought -- FBIS] because the peoples of Latin America and the Caribbean are facing the aggressive policy of the U.S. Government.

Nicaragua is a victim of that terrorist and aggressive U.S. policy, and at present we are its main victim. That is ture. However, all of Latin America is a victim of an unjust economic policy promoted and defended by the United States -- a policy that is suffocating the Latin American peoples. We are suffocating from destitution, hunger, and unemployemt.

The Latin American peoples are victims of IMF policies that only bring destitution and unemployment to Latin American peoples. The U.S. Government questions dignified positions adopted by Latin American governments. It launches slanderous and denigrating campaigns against Latin American governments, such as the governments of Mexico and Panama.

The U.S. Government refuses of listen to the Latin American governments that make up the Contadora and Lima Groups and are demanding a peaceful solution to the Central American conflict. We will continue to support these American solutions. [applause] We will continue to support these Latin American solutions. We will continue to support the Contadora and Lima Groups. We will continue to support them during discussions and negotiations, and we will thus continue to defend this revolution with weapons in hand. [applause, crowd shouts slogans]

We issue a call with a truly fraternal and Central American spirit to the Central American leaders, asking them not to let themselves be used as instruments of the U.S. Government's terrorist policy. We are saying this to President Azcona. President Ariaz, and President Durate. We believe that deep inside they do not really want a larger war in Central America. We want to believe that deep inside, they do not want to military intervention against Nicaragua, because they know that a military intervention against Nicaragua would mean a total war in all of Central America. [applause, shouts] We are sure that deep inside they want peace. However, how far are they going to let themselves be dragged by the U.S. Government's policy of pressures and blackmail?

This has its limits. The moment to make decisions is drawing closer, and at that time, these Central American leaders will have to decide to behave responsibly, defend peace, and stand on the side for their people and Central America or decide to be an instrument of the U.S. interventionist policy against Nicaragua. At that time, their own people will judge them. [applause]

We call on the U.S. Government to comply with the ICJ ruling. We will convoke the UN Security Council. We will give the U.S. Government a prudential period of time to see whether it is capable of admitting that it is wrong.

The ICJ ruling was announced on 27 June, and 27 July will mark 1 month since the announcement. We will give the U.S. Government until 27 July to abide by and accept the court's ruling. In the event it does so, there will be no need to convoke the UN Security Council. Otherwise, we are going to convoke the UN Security Council and to demand support from the international public opinion for the ICJ ruling. [applause]

On this seventh anniversary of the Sandinist people's revolution, we want to reiterate our call to all Nicaraguans, regardless of their ideological and political thinking, to strengthen national unity, to work for national unity, that is, to work for the Nicaraguan people. However, to work for national unity implies that there must be a convergence around the defense of Nicaragua's self-determination, sovereignty, and independence.

Those thinking of a national unity that runs counter to the institutional framework or of refusing to accept its principles, should once and for all unmask themselves and join the contras, side. They should leave for Miami or camps in Honduras. [applause] They should make up their minds once and for all.

We are commemorating this seventh anniversary with the fighting spirit of all the Nicaraguan people, with the fighting spirit of the peoples of Central America, Latin America, the world, and that of the people of the United States, who are also on the side of the Nicaraguans.

We now commemorate this seventh anniversay. In the future, when there is peace, history will say that the people of Esteli, defying the threats of the mercenary forces and the U.S. Government, met in Esteli to celebrate the seventh anniversary.

When history refers to this occasion and when there is peace in Nicaragua and Central America, it will also be said that there was an infamous president in the United States called Ronald Reagan, because he will go down in history as an infamous president. History will present President Ronald Reagan as another Nero, as another Hitler, for killing the Nicaraguan people, Nicaraguan children and youth. [applause] Ronald Reagan will remain forever in histroy as a bad example and as a lesson for the children of the world.

History will also refer to the Nicaraguan people, who existed at the time, who will exist forever, and who defend their country and their revolution with dignity and determination; with the courage of Sandino, Carlos and Zeledon; and with the heroic call: Free Fatherland [crowd shouts: "Or Death."] [applause]

AT LEAST 12' MI-17 COPTERS REPORTEDLY RECEIVED

PA201753 San Jose LA REPUBLICA in Spanish 14 Jul 86 p 4

[By William Kapic]

[Excerpt] The EPS has received more Soviet helicopters for the transportation of troops and war materiel, a well-informed diplomatic source in Managua has confirmed.

At least 12 MI-17 unarmed helicopters have entered the country by sea during the past weeks, the source added. An unspecified number of Eastern European trucks and vehicles have also entered Nicaragua for use by the military, the source added. Armored vehicles from the USSR have also arrived

The new helicopters, according to our source, will be used in aerial support missions; their offensive power is limited.

For the past 3 years the Sandinist Army has had a powerful fleet of Soviet MI-24/HIND and MI-8/HIP helicopters, which are Nicaragua's leading aerial combat weapons.

The presence of new Soviet transportation helicopters further strengthens the Sandinist forces; capacity to mobilize within the national terrritory.

When asked about the Sandinists' plans to acquire better weapons, ranking Nicaraguan officials always say: "That is a right we have not given up." [passage omitted]

BORGE CONFIRMS HELICOPTER CRASH IN BLUEFIELDS

PA210212 Mexico City Red Nacional 13 Imevision Television in Spanish 0142 GMT 21 Jul 86

[Text] Interior Minister Tomas Borge has confirmed that a military helicopter carrying 17 Sandinist soldiers crashed yesterday a few minutes after takeoff from Bluefields, located on the Atlantic coast. Borge did not give any details on the incident, which resulted in the death of 16 of the 17 crew members.

In addition, the government newspaper BARRICADA said that two persons who were planning to assassinate President Daniel Ortega were arrested during operations that were carried out a few days before the seventh anniversary of the revolution.

HAVANA CONCLUDES FOREIGN DEBT NEGOTIATIONS

FL190127 Mexico City NOTIMEX in Spanish 0024 GMT 19 Jul 86

[Text] Havana, 18 Jul (TANJUG-NOTIMEX) -- An official spokesman here reported that in Paris, France, representatives of the Cuban Government have concluded negotiations with Paris Club creditors on rescheduling Cuba's foreign debt.

The Western representatives proposed to their governments the restructuring of a portion of Cuba's debt and rescheduled this year's interest payments.

Cuba's current debt exceeds $3.5 billion, which is not [as received] a serious burden since the situation changed this year after a drastic reduction in income resulting from the fall of the dollar and oil prices, said the spokesman.

The communique issued on the negotiations does not mention Cuba's decision in April to postpone debt payments from May to August and to seek a rescheduling formula that would be acceptable to both parties.

CASTRO SENDS ORTEGA 7TH ANNIVERSARY GREETING

PA181609 Managua Domestic Service in Spanish 1445 GMT 18 Jul 86

[Note of congratulations sent by Fidel Castro Ruz, president of the Councils of State and Ministers, to Nicaraguan President Daniel Ortega Saavedra, coordinator of the Executive Commission of the FSLN National Directorate, "on the seventh anniversary of the triumph of the Sandinist people's revolution;" date not given]

[Text] On the seventh anniversary of the triumph of the Sandinist people's revolution, and on behalf of the Cuban people's deepest feelings of fraternity and solidarity, I convey to you and to all of the heroic Nicaraguan people my most fraternal greetings.

Nicaragua arrives at this 19 July, as it has in pervious years, in the midst of its arduous and victorious battle against the dirty war of aggression organized, financed, and directed by the U.S. Government with the criminal complicity of various neighboring countries. The U.S. Government has attempted to make the destruction of the Sandinist revolution a test of the power of its reactionary, interventionist, and counterrevolutionary policy. That is why the struggle presently waged by the intrepid fighters of the EPS, militias, workers in their production and defense positions, women youths, and even children is not simply a struggle to safeguard the invaded homeland and the achievements of the people's power. It is also a struggle for the right of all peoples to freedom and prosperity, to decide their own future, and to free themselves of imperialism's custody and exploitation. With sacrifice, suffering, and the blood of its sons, Nicaragua is at present blocking Yankee intervention and making a decisive contribution to peace in this hemisphere and the world.

The Sandinist revolution proves again that the peoples who have achieved freedom do not fear death but fear bondage. Neither the bands of Somozist murderers, nor the mercenaries paid by the Yankees, nor the local reactionaries who support the imperialist aggressor, nor Reagan's other accomplices and agents in Central America, nor the campaigns of slander and terror, nor the million of dollars that the U.S. Congress, the CIA, and Executive Branch approved have been able or will be able to destroy it.

Neither will it be destroyed through a direct military intervention, the danger of which is increasing in the same proportion that the Yankee government is obstructing the political resolution of the conflict and insisting on a policy of force that is doomed to failure.

A closely united people, vanguard, and leadership, together with the solidarity of all the world's revolutionary and progressive peoples, will guarantee that nothing and no one will be able to divert the Sandinist revolution from its historic goal. Like yesterday and today, you will always be able to count on the fraternal and unbreakable internationalist support of the Cuban people.

I convey to you a strong revolutionary embrace.

Havana on Anniversary

Havana International Service in Spanish 2300 GMT 18 Jul 86

["Our America" commentary]

[Text] Seven years after defeating one of the bloodiest tyrannies in the history of Latin America, the Nicaraguans are again involved in another war: This time the aggressors are former Somozist guardsmen and other traitors, who are manipulated by the United States, the world's largest capitalist country.

When, in the middle of July 1979, thousands of happy Nicaraguan youths, including children, entered Managua, satisfied that for the first time in their lives they were free, they never thought that they would soon be picking up their arms again to subdue the Somozist criminals and other renegades, who began killing innocent citizens.

While the Nicaraguan people went ahead, trying to heal the woulds left by the war and the natural disaster, they did not expect that soon after the July victory, they would have to return to the mountains to pursue to elusive mercenaries, who are being paid by U.S. President Ronald Reagan, who has the nerve to call his proteges freedom fighters.

Meanwhile, thousands of mothers and wives are again mourning their sons and husbands, who have been killed in combat against the counterrevolutionaries, whose main camp is in Honduras.

During the 7 years that have passed since the victory of the revolution, the former Somozist guards and the traitors have been defeated many times. This is one of the reasons why Reagan desperately insisted that the House of Representatives approve the $100 million in aid for the counterrevolutionaries.

Nicaragua's economy has been affected because approximately 40 percent of the nation's budget is being used to defend the country's sovereignty. The United States has also applied a series of pressures such as: the economic embargo, the mining of Nicaraguan ports, the attack on Sandinist leaders, and a ferocious propaganda campaign aimed at distortioning the country's reality.

Some top spokesman of the church and of the local bourgeoisie, as well as the opposition newspaper LA PRENSA, have also played a significant role in the political destabilization campaign.

Reagan's mad campaign against Nicaragua has assumed a new aspect now that the CIA has taken over direct responsibility and control of the mercenary bands that are operating from Honduran territory, where the United States frequently carries out military maneuvers aimed at orchestrating a direct invasion of Nicaragua. With this in mind, the U.S. Government has obstructed, with the support of Honduras, El Salvador, and Costa Rica, the Contadora Group negotiation process, putting in doubt a negotiated solution to the Central American conflict.

Seven years after the heroic Nicaraguan people defeated the brutal Somozist tyranny with so many sacrifices, they again have to pick up their weapons against the foreign aggressor, just as Augusto Cesar Sandino did. But the present generation has proven to be worthy followers of Sandino, the outstanding patriot.

CROMBET MEETS WITH HUNGARIAN OFFICIALS

FL190305 Havana Radio Rebelde Network in Spanish 2300 GMT 18 Jul 86

[Text] The Communist Party of Cuba delegation led by Secretariat member Jaime Crombet today met with Hungarian officials. The Cuban delegation also toured (?Debrecen) province, where they visited the (Balaton Fuspo) nitrochemical plant.

AMBASSADOR MEETS WITH POLAND'S MALINOWSKI

FL190246 Havana Radio Rebelde Network in Spanish 2300 GMT 18 Jul 86

[Text] Roman Malinowski, speaker of the Polish Sejm, today met in Warsaw with Cuban Ambassador Martin Mora. The Cuban diplomat presented Malinowski with a document from the Cuban National Assembly of the People's Government condemning the U.S. approval of $100 million in aid to the anti-Sandinist bands.

FLEMACON HOLDS MEETING IN HAVANA

PA172239 Havana International Service in Spanish 1800 GMT 16 Jul 86

[Text] The Latin American Federation of Construction, Lumber, and Construction Materials, Flemacon, has called for holding a second continental day against the payment of foreign debt, including interest. In a meeting of the Flemacon Secretariat, which held 2 days of sessions in Havana, delegates also called for the establishment of a new international economic order and for the economic integration of Latin America and the Caribbean. They also expressed support for the continental campaign of solidarity with Nicaragua, which began on 14 July and will continue until 19 July, when the 7th anniversary of the triumph of the Sandinist revolution will be celebrated.

BOUTERSE OPENS NONALIGNED MOVEMENT SEMINAR

FL181958 Paramaribo International Service in English 1800 GMT 18 Jul 86

[Text] Government leader Desi Bouterse yesterday told participants at an international seminar on the Nonaligned Movement, which is being held here, that the main thrust of the revolution in Suriname is directed towards the creation of a real and valuable nation which in the past had been politically divided along racial lines. Bourterse said that through national dialogue, Suriname has been able to mobilize the broadest [word indistinct] of the political spectrum ever brought together in the country's history. He added this consists of representatives of trade unions, national entrepreneurs, the business community, the three major political parties, and the revolutionary movement. He was speaking at the opening of the seminar yesterday, which will end tomorrow.

Further Remarks

FL182006 Paramaribo International Service in English 1800 GMT 18 Jul 86

[Text] The head of government of Suriname, Desi Bouterse, said the new Government of Suriname will be entrusted with two main tasks. One, he said, is the preparation together with the National Assembly of a new constitution which will be eventually submitted for approval to the [word indistinct] for appraisal to a national referendum while the other will be crash economic program. He made these remarks in an opening address at the international seminar on the Nonaligned Movement yesterday. He told the participants that the progress in Suriname is aimed at the renewal of what he termed the four important segments of our nation. These he singled out to be the social ecomomic order, the social order, the administrative order, and the education order adding that in order to achieve these goals, quote, it is an absolute necessity to move our society into one base on new and truly democratic structures, unquote.

New Prime Minister Attends

FL182056 Paramiribo International Service in English 1800 GMT 18 Jul 86

[Text] The international seminar on the nonaligned Movement currently in session here with guests from Yugoslavia, Egypt, Indonesia, Guyana, the Netherland Antilles, and international organizations is a follow-up to a national seminar on the Nonaligned Movement which was held here last month.

The opening session of the seminar yesterday was attended by Suriname's new Prime Minister Pretaap Radhakishun and his Council of Ministers, which was installed on Wednesday, members of the diplomatic corps, and some government and military officials.

In an inaugural address, Bouterse said the seminar is a help at a time when the world is passing through a critical stage from the economic and political point of view. He continued, quote, we are witnessing still a [word indistinct] occupied Namibia and a struggling South Africa in which a white minority regime is trying to survive by oppressing a black majority, unquote. The Surinamese leader added that the adoption of resolutions and written condemnations alone will not bring freedom to South Africa. He said the time has come for the world community to take decisive actions aimed at bringing an end to state exercise racism, constitutional discrimination, humiliation, and oppression. In a wide-ranging speech, Bouterse said the peoples of Central America are still living in a state of war, and the Contadora efforts have not yet born the results as expected.